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Rural Development Programme of the Republic of Croatia for the Period 2014-2020

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20. THEMATIC SUB-PROGRAMMES

21. DOCUMENTS
### 1. Title of the Rural Development Programme

Rural Development Programme of the Republic of Croatia for the Period 2014-2020

### 2. Member State or Administrative Region

#### 2.1. Geographical area covered by the programme

**Geographical Area:**

| HR - National |

**Description:**

Croatia is situated in south-east Europe and its total area covers 87,661 km², of which 56,594 km² are land (including island landmass) and 31,067 km² are the territorial sea and internal waters. The land border is 2,028 km long and the coastline is 1,777 km long. There are 1,246 islands, islets, rocks and reefs along the Adriatic Sea coast, 48 islands of which are inhabited. The length of the island coastline is 4,058 km.

In 2012, close to 80% of Croatia's land area was classified as predominantly rural, considerably more than the EU-27 average of 51.3%. More precisely, according to Eurostat urban/rural typology, 79.1% of Croatia’s land area is classified as being predominantly rural and 19.8% as intermediate while only 1.1% (CI-3) of the area is classified as predominately urban categorized by NUT-3 level regions. In same year, 56.7% of the population lived in predominantly rural regions again significantly higher than the EU-27 average of 22.3%.

For the implementation of RDP 2014-2020 and the determination of the rural area at programme level, a special study was conducted by an independent expert (Annex 1). In accordance with one of the proposed models, the rural area at programme level is defined as the whole territory of Croatia with the exclusion of the administrative centers of four cities (Zagreb, Split, Rijeka and Osijek). A total of 3,217,117 inhabitants (75.08% of total population) and 56,164 km² of the rural area (99.24% of total territory) are covered by this definition.

The RDP 2014-2020 ensures a uniform application of the rural development policy throughout the rural territory of Croatia by the definition of a single programme for entire territory. Both Croatia’s NUT-2 level statistical regions are considered as less developed regions and the same EAFRD contribution rate is used for the whole geographical area covered by the programme.

#### 2.2. Classification of the region

**Description:**

In administrative terms, the Republic of Croatia is divided into 21 regional self-government units equivalent to NUTS 3 level; 20 of these units are counties and the City of Zagreb is a separate administrative unit. There are 556 local self-government units, 127 of which are classified as cities and 429 as municipalities,
according to the Law on Local and Regional self-government (O.G.129/05).

Statistically speaking, the Republic of Croatia is divided into two NUTS 2 regions:

1. **Continental Croatia**, which includes 14 NUTS 3 regions: Zagreb, Krapina-Zagorje, Varaždin, Koprivnica-Križevci, Međimurje, Bjelovar-Bilogora, Virovitica-Podravina, Požega-Slavonija, Brod-Posavina, Osijek-Baranja, Vukovar-Srijem, Karlovac, and Sisak-Moslavina County, as well as the City of Zagreb.

2. **Adriatic Croatia**, which includes 7 NUTS 3 regions: Primorje-Gorski Kotar, Lika-Senj, Zadar, Šibenik-Knin, Split-Dalmacija, Istra, and Dubrovnik-Neretva County.

Figure 1 shows the territorial division of the statistical regions of the Republic of Croatia.
3. EX-ANTE EVALUATION

3.1. Description of the process, including timing of main events, intermediate reports, in relation to the key stages of RDP development.

In November 2012, the Central Finance and Contracting Agency published a call for public tender for the IPA 2009 FWC project "Support for preparing the Rural Development Programme 2014-2020", the planned scope of which included the ex-ante evaluation of the Rural Development Programme 2014-2020. Agreement No 2009-0404-011501 was concluded in December 2012 between the Central Finance and Contracting Agency (contracting party) and the company Cardno Agrisystems, UK (contractor).

The project assignment was to conduct an ex-ante evaluation of the Programme and a strategic environmental assessment (SEA). The ex-ante evaluation is an integral part of programming and its objective is to contribute to the quality of programme design.

The inception meeting between the beneficiary and the contractor was held on 03 January 2013. Between February 2013 and April 2014 the independent evaluators conducted additional missions in the Republic of Croatia (11-15 March 2013; 03-05 June 2013; 09-18 September 2013; 29-31 October 2013; 28-30 April 2014).

The ex-ante evaluation has been monitored by a Project Steering Group (PSG). The PSG consists of representatives from the Central Finance and Contracting Agency (CFCA), the Ministry of Agriculture (MoA) and the Evaluation Team (ET) in order to monitor project implementation from the point of view of project administration.

The ex-ante evaluation was conducted in three stages: bilateral meetings with employees of the Ministry of Agriculture regarding RDP chapters and measures, and a programming workshop; collecting data and interviewing potential beneficiaries and other participants; periodic delivery of recommendations and reporting (including a presentation of the draft Report).

The Evaluation Team devoted particular attention to:

- assessing the status of the areas in which the RDP is to be applied (use of context indicators; agriculture and food production and food processing industry; forestry sector; environmental and nature status; rural tourism; infrastructure; SWOT analysis; estimation of needs);
- relevance, and internal and external coherence of the RDP (alignment with the EU 2020 Strategy; assessing of RDP strategy and intervention logic; proposed support per measure; role of selected measures in achieving objectives; consistency of financial allocations and objectives; assessing of LEADER (CLLD) implementation; assessing of the National Rural Network, technical assistance);
- measuring RDP progress and results (assessing of the monitoring and evaluation system, and the Evaluation Plan);
- assessing of the planned arrangements for programme implementation and for the inclusion of participants.

The complete Draft Ex-ante Evaluation Report was delivered in October 2013, the final Ex-ante Evaluation report was delivered in December 2013 and revised Final Ex-ante Evaluation Report was
delivered by Cardno to the MoA on 28 May 2014.

Preparation of the SEA was done parallel to the ex-ante evaluation by the contractor. The complete first draft SEA report was delivered in March 2014 and the Final draft SEA report was delivered by the contractor on the 28 May 2014. In the period from 13 June to 12 July 2014, public consultation was organized on the SEA report and the draft rural development programme in accordance with Article 6 of the SEA Directive. A few comments were received and the SEA duly revised. The Final SEA report was delivered in July 2014. Detailed list of recommendation are presented in chapter 3.2 and two separate reports (Final Ex-ante Evaluation Report and Final SEA report) are attached in chapter 3.3.
3.2. Structured table containing the recommendations of the ex-ante evaluation and how they have been addressed.

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3.2.1. R_001: Introduction - acronyms and abbreviations

Category of recommendation: Other
Date: 18/12/2013
Topic: Introduction - acronyms and abbreviations

Description of the recommendation

The team recommends including a section on acronyms and abbreviations prior to the introductory chapter.

How recommendation has been addressed or justification as to why not taken into account

Partly accepted
Since the SFC template does not foresee a separate chapter on acronyms and abbreviations, this issue is horizontally addressed through the RDP.

3.2.2. R_002: Introduction - glossary

Category of recommendation: Other
Date: 18/12/2013
Topic: Introduction - glossary

Description of the recommendation

The team recommends including a glossary in which key terms are adequately defined prior to the introductory chapter.

How recommendation has been addressed or justification as to why not taken into account

Partly accepted
Since the SFC template does not foresee a separate section of the glossary, this issue is horizontally addressed through the RDP.
3.2.3. R_003: Introductory chapter

Category of recommendation: Other
Date: 18/12/2013
Topic: Introductory chapter
Description of the recommendation

The team recommends mentioning in the introductory chapter, immediately after the priorities, how many measures will be implemented and when.

How recommendation has been addressed or justification as to why not taken into account

Not accepted
Since the SFC template does not foresee an introductory chapter, information was instead provided in chapter 5: Description of the Strategy.

3.2.4. R_004: General information - classification of the region

Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: General information - classification of the region
Description of the recommendation

The team recommends reintroducing the main points from the section “State in NUTS 2”, which has been removed from this version of the RDP, into the chapter “Administrative/territorial organisation and statistical division”.

How recommendation has been addressed or justification as to why not taken into account

Accepted
Was included in chapter 2.2: Classification of the region.

3.2.5. R_005: General information - terminology on rural areas

Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: General information - terminology on rural areas
Description of the recommendation

In the chapter “Rural areas of the Republic of Croatia” and throughout the draft RDP, varying
terminology on rural areas is used. The team recommends consistently adopting the terminology of the OECD of predominantly rural, intermediate and predominantly urban areas.

How recommendation has been addressed or justification as to why not taken into account

Accepted
For the implementation of RDP 2014-2020 and determination of rural areas at programme level a special study was conducted by an independent expert. According to the conducted study, a new definition of rural areas at programme level has been agreed and will be used consistently throughout the programme. A consistent terminology will be used in the programme, while the following two indicators will still be used: CCI-3 according to Eurostat data (OECD methodology) and a programme-specific indicator according to data relevant for the definition of rural areas at programme level.

3.2.6. R_006: Socio-economic indicators - title

Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: Socio-economic indicators - title
Description of the recommendation

The title of chapter 2 is misleading. The team recommends changing it so that it reflects its status as part of the overall ACS and not strictly a list of socio-economic indicators.

How recommendation has been addressed or justification as to why not taken into account

Partially accepted
In accordance with Commission guidance, the general description has been organised around the three sections of the structured template for the CCIs (socio-economic and rural situation; sectorial information; environment/climate)

3.2.7. R_007: Socio-economic indicators - common context indicators

Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: Socio-economic indicators - common context indicators
Description of the recommendation

The team recommends using relevant data for all common context indicators. Where data are not available, the team recommends referring in the table to what is being considered and planned to allow the MoA to collect the data at a later stage.
3.2.8. R_008: Social indicators - population (natural increase rate)

Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: Social indicators - population (natural increase rate)
Description of the recommendation
The team recommends outlining the causes for a drop in the natural increase rate compared to the EU-27 as well as clarifying if any regional and urban/rural variations exist.

How recommendation has been addressed or justification as to why not taken into account
Accepted
The reasons for the negative natural increase are outlined and regional/urban/rural variations are briefly clarified on chapter 4.1.

3.2.9. R_009: Social indicators - definition of larger cities as rural areas

Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: Social indicators - definition of larger cities as rural areas
Description of the recommendation
The team recommends explaining why larger cities are defined as rural areas if this decision has been made deliberately.

How recommendation has been addressed or justification as to why not taken into account
Accepted
According to one of the proposed models, a rural area at RDP level is defined as the whole territory of the Republic of Croatia with the exception of the four biggest cities (Zagreb, Split, Rijeka and Osijek). See recommendation 5: General information - terminology on rural areas.
3.2.10. R_010: Social indicators - population density

Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: Social indicators - population density
Description of the recommendation

The team recommends expanding on the issue of how the economic crisis and the earlier war have left their mark on rural areas and what this means for population density. The last sentence on page 6 does not link back to previous sentences.

How recommendation has been addressed or justification as to why not taken into account

Accepted
This information is redrafted and described in chapter 4.1.

3.2.11. R_011: Social indicators - level of migration

Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: Social indicators - level of migration
Description of the recommendation

The team recommends adding information, if possible, on whether the level of migration is higher from some areas compared to others and why.

How recommendation has been addressed or justification as to why not taken into account

Accepted
Additional information was added in chapter 4.1.

3.2.12. R_012: Social indicators - educational situation

Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: Social indicators - educational situation
Description of the recommendation

The team recommends updating the general data on the educational situation in Croatia emphasising the
documentation of the (expected) low level of education in rural versus urban areas.

How recommendation has been addressed or justification as to why not taken into account

<table>
<thead>
<tr>
<th>Accepted</th>
</tr>
</thead>
<tbody>
<tr>
<td>A section has been updated with relevant data on education from 2011, chapter 4.1.</td>
</tr>
</tbody>
</table>

3.2.13. R_013: Social indicators - employment and unemployment

Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: Social indicators - employment and unemployment
Description of the recommendation

The team recommends crosschecking the data on employment and unemployment and making sure that the figures are consistent. If the figures are right, please explain the differences between them.

How recommendation has been addressed or justification as to why not taken into account

<table>
<thead>
<tr>
<th>Accepted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information has been updated and included in chapter 4.1.</td>
</tr>
</tbody>
</table>

3.2.14. R_014: Economic indicators

Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: Economic indicators
Description of the recommendation

The team recommends changing the header ‘economic indicators’ to reflect being part of the ACS and not simply a list of indicators.

How recommendation has been addressed or justification as to why not taken into account

<table>
<thead>
<tr>
<th>Partially Accepted</th>
</tr>
</thead>
<tbody>
<tr>
<td>See recommendation 6.</td>
</tr>
</tbody>
</table>
3.2.15. R_015: Economic indicators - analysis of agricultural sector

Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: Economic indicators - analysis of agricultural sector

Description of the recommendation

The team recommends reflecting on and analysing the data provided on the agricultural sector in more detail in order to point out the core needs of the sectors and the challenges they face. It could be considered to focus on the analysis in chapter 4 and to leave the more general description in this section of the RDP.

How recommendation has been addressed or justification as to why not taken into account

Accepted
Information has been updated and included in chapter 4.1.1: General description of the programming area

3.2.16. R_016: Economic indicators - market shares

Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: Economic indicators - market shares

Description of the recommendation

The team recommends inserting data on the development in relative market shares for specific products and groups of products, either here or later in the RDP, for example under chapter 4.7 “Agricultural production” and chapter 5 “Food processing”.

How recommendation has been addressed or justification as to why not taken into account

Accepted
A section has been updated with relevant data on market shares and included in chapter 4.1.

3.2.17. R_017: Economic indicators - currency

Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: Economic indicators - currency

Description of the recommendation
The team recommends changing the currency from USD to HRK and €.

How recommendation has been addressed or justification as to why not taken into account

Not accepted
The foreign trade balance is officially presented in USD which is commonly used.

3.2.18. R_018: Economic indicators - waste management

Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: Economic indicators - waste management
Description of the recommendation

From the measure for basic services in rural areas, it is clear that the disposal of municipal solid waste (vehicles, containers, cans) will be supported. However no mention is made of waste management in this section (3.2.3) as a need and it is not included in the SWOT. The team recommends justifying this by analysing the current situation in Croatia as regards the disposal of solid waste.

How recommendation has been addressed or justification as to why not taken into account

Not accepted
Waste management (disposal of municipal solid waste) will not be supported under the measure for basic services in rural areas.

3.2.19. R_019: Economic indicators - electric energy

Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: Economic indicators - electric energy
Description of the recommendation

The team recommends expanding the analysis of the challenges and needs facing electric energy consumption, which is merely outlined briefly in the section (3.2.3) as well as clarifying how the RDP can support this issue.

How recommendation has been addressed or justification as to why not taken into account

Not accepted
The opinion of the MoA is that such detailed information is not relevant. Also, FA 5B is not chosen, as the RDP programed focus will be towards renewable energy sources (RES). In general modernisation and new technology update will improve energy efficiency.

3.2.20. R_020: Economic indicators - renewable energy sources

Category of recommendation: The SWOT analysis, needs assessment

Date: 18/12/2013

Topic: Economic indicators - renewable energy sources

Description of the recommendation

It is highly recommended to forge the link between section 3.2.3 and the measure sheet. If renewable energy sources are to be supported, it is necessary to identify why doing so is important and this is not done in the current draft RDP.

How recommendation has been addressed or justification as to why not taken into account

Accepted

More detailed justification for support is described in chapter 4.2: Identification of needs.

3.2.21. R_021: Economic indicators - communication infrastructure

Category of recommendation: The SWOT analysis, needs assessment

Date: 18/12/2013

Topic: Economic indicators - communication infrastructure

Description of the recommendation

In relation to communication infrastructure, reference is made to 2009 Eurostat data. The team recommends applying 2011 figures from the Population Census instead, as figures on internet coverage change relatively quickly.

How recommendation has been addressed or justification as to why not taken into account

Accepted

More recent data has been used (2012).
3.2.22. R_022: Economic indicators - rural infrastructure

Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: Economic indicators - rural infrastructure
Description of the recommendation

The team recommends improving the justification for the need for support to rural infrastructure (presently 5 lines).

How recommendation has been addressed or justification as to why not taken into account

Accepted
More detailed justification for support is provided in chapter 4

3.2.23. R_023: Gender Equality - survey

Category of recommendation: Other
Date: 18/12/2013
Topic: Gender Equality - survey
Description of the recommendation

On page 18 in the second section, reference is made to a survey conducted in Croatia in 2012 titled “101 Questions for Women in Rural Areas”. The team recommends including the results of the survey and an indication of any planned follow-up actions.

How recommendation has been addressed or justification as to why not taken into account

Not Accepted
The SFC template does not foresee such detailed information and it is additionally the opinion of the MoA that such information is not relevant.

3.2.24. R_024: Gender Equality - women’s entrepreneurship

Category of recommendation: Other
Date: 18/12/2013
Topic: Gender Equality - women’s entrepreneurship
Description of the recommendation

The team recommends including percentages on women’s entrepreneurship in Croatia and in rural areas
in the section on gender equality.

How recommendation has been addressed or justification as to why not taken into account

Accepted
Since the SFC template does not foresee a separate chapter on gender equality, this issue is horizontally addressed through the RDP.

3.2.25. R_025: Gender Equality - lessons learnt

Category of recommendation: Other
Date: 18/12/2013
Topic: Gender Equality - lessons learnt
Description of the recommendation

The team recommends including lessons learnt and experiences involving women under the IPARD and SAPARD programmes, if possible.

How recommendation has been addressed or justification as to why not taken into account

Accepted
Since the SFC template does not foresee a separate chapter on gender equality, this issue is horizontally addressed through the RDP.

3.2.26. R_026: Rural tourism

Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: Rural tourism
Description of the recommendation

The subsection on “the importance of rural tourism” is very generic and does not reflect the Croatian context. The team recommends redrafting this section and integrating it into the subsection on “current status and interest”.

How recommendation has been addressed or justification as to why not taken into account

Accepted.
This section has been redrafted and included in SWOT analysis.

3.2.27. R_027: Rural tourism - data and figures

Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: Rural tourism - data and figures
Description of the recommendation

The team recommends including data and figures on the current situation for rural tourism in section 3.4 “rural tourism” in order to provide an outline.

How recommendation has been addressed or justification as to why not taken into account

Accepted
This section has been redrafted and included in SWOT analysis.

3.2.28. R_028: Rural tourism - current situation and the needs

Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: Rural tourism - current situation and the needs
Description of the recommendation

The intent and purpose of the three subsectors “current status and interest”, “requirements and factors for development of rural tourism” and “agritourism aspects of rural tourism” are not clear. The sections contain no information on the current situation, and the text seems to have been extracted from other documents (including some by the Council of Europe). The team recommends rewriting the three subsections with a focus on outlining the current situation in Croatia and on determining the needs of rural tourism in a Croatian context.

How recommendation has been addressed or justification as to why not taken into account

Accepted
This section has been redrafted and included in SWOT analysis.

3.2.29. R_029: Rural tourism - coordination

Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: Rural tourism - coordination
Description of the recommendation

The team recommends co-ordinating the development of rural tourism issues with the Ministry of Tourism. How does the RDP 2014-2020 fit into the Croatian Development Tourist Strategy to 2020? A number of “tourism product developments” are described in this strategy of which several are of interest to rural development.

How recommendation has been addressed or justification as to why not taken into account

Accepted
Coordination and cooperation takes place between the Ministries of Tourism and Agriculture. One of the 10 basic principles of the Croatian Tourism Development Strategy to 2020 is to “develop tourism throughout the entire territory” of the country. The use of tourism to initiate the development of rural areas must thus be one of the key drivers of overall development. See chapter 4.

3.2.30. R_030: LEADER
Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: LEADER
Description of the recommendation

In order to improve the structure and thereby the readability of the LEADER section, it is recommended to insert a number of sub-headings, such as “LEADER in Croatia today”, “LEADER in the IPARD framework” and “Definition of LAGs”.

How recommendation has been addressed or justification as to why not taken into account

Partly accepted
As a chapter on this is not foreseen in the SFC template, this information is presented through other chapters in the RDP.

3.2.31. R_031: LEADER - coverage of LAGs
Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: LEADER - coverage of LAGs
Description of the recommendation
The team recommends checking the figures provided on the coverage of LAGs throughout the Croatian territory. The text cites this as 69%, but during the team’s interview with the NRN, it was informed of a 75% coverage.

How recommendation has been addressed or justification as to why not taken into account

Partly accepted
Data are clarified in chapter 4.2
Coverage of 69% of Croatian territory is by selected LAGs through IPARD programme. When all LAGs (selected and not selected) are included, coverage is higher as the process of establishing new LAGs is ongoing.

3.2.32. R_032: NRNs

Category of recommendation: Programme implementing arrangements
Date: 18/12/2013
Topic: NRNs
Description of the recommendation

The team recommends including information on the issue that Croatia has two NRNs, both members of the European LEADER Network, and, if possible, describing their functions.

How recommendation has been addressed or justification as to why not taken into account

Accepted
This is described in chapter 17: National Rural Network (in line with the SFC template).

3.2.33. R_033: Agriculture - operational definitions

Category of recommendation: Other
Date: 18/12/2013
Topic: Agriculture - operational definitions
Description of the recommendation

The team recommends considering and including operational definitions of the two core concepts of “competitiveness” and “farm viability” in the RD policy and adding some text to the RDP in which the concepts are defined and described (cf. recommendation 2).

How recommendation has been addressed or justification as to why not taken into account
Partially accepted
Analysis of data influencing competitiveness and farm viability has been enhanced throughout the intervention logic applied.

3.2.34. R_034: Agriculture - analysis

Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: Agriculture - analysis
Description of the recommendation

The team recommends strengthening the analytical element of the ACS text on agriculture, which at present is mostly descriptive.

How recommendation has been addressed or justification as to why not taken into account

Accepted
Analysis of data on the current situation was done to the extent permitted by the SFC template (as part of chapter 4.1.1). A comprehensive overall description is provided of the current situation in the programming area, based on common and programme-specific context indicators.

3.2.35. R_035: Food Industry - analysis

Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: Food Industry - analysis
Description of the recommendation

It is recommended to strengthen the analysis of the topic of the organisation and integration of value chains, since this is an important objective under priority 3 of the RD policy.

How recommendation has been addressed or justification as to why not taken into account

Partially accepted
The specific conditions in Croatia concerning the organisation of value chains are addressed in different parts of the RDP, in particular in Need 12.
3.2.36. R_036: Agriculture - crosschecking data

Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: Agriculture - crosschecking data
Description of the recommendation

The team recommends crosschecking all data in chapter 4.1. (3.1.) “Agriculture”.

How recommendation has been addressed or justification as to why not taken into account

Accepted and cross-checked.

3.2.37. R_037: Agriculture - analysis of the core indicators/factors

Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: Agriculture - analysis of the core indicators/factors
Description of the recommendation

The general observation is that relevant data on core indicators/factors are presented, but not analysed, and no causalities (drivers and effects) are mapped. The extent to which these data reflect and/or influence competitiveness and farm viability is not discussed. The team recommends improving these analyses.

How recommendation has been addressed or justification as to why not taken into account

Accepted
The analysis has been improved in the various sections of Chapter 4 following the intervention logic and the SFC template.

3.2.38. R_038: Agriculture - agriculture holdings

Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: Agriculture - agriculture holdings
Description of the recommendation

The team recommends assessing the figures (along with the cause and effect) of the number of farm
holdings.

How recommendation has been addressed or justification as to why not taken into account

Accepted
Structure of agricultural holdings has been described in more detail through SWOT analysis.

<table>
<thead>
<tr>
<th>3.2.39. R_039: Agriculture - farm fragmentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category of recommendation: The SWOT analysis, needs assessment</td>
</tr>
<tr>
<td>Date: 18/12/2013</td>
</tr>
<tr>
<td>Topic: Agriculture - farm fragmentation</td>
</tr>
<tr>
<td>Description of the recommendation</td>
</tr>
<tr>
<td>The team recommends considering the inclusion of a section on farm fragmentation, since it is likely that this problem is contributing to the small-scale farming problem. Also worthy of possible attention is the functioning of the land market, since this is a basic problem for the sector and its resolution could in turn help to solve the problems of small-scale farming and fragmentation.</td>
</tr>
<tr>
<td>How recommendation has been addressed or justification as to why not taken into account</td>
</tr>
<tr>
<td>Accepted</td>
</tr>
<tr>
<td>This is addressed in more detail through SWOT analysis.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3.2.40. R_040: Agriculture - cooperatives</th>
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</thead>
<tbody>
<tr>
<td>Category of recommendation: The SWOT analysis, needs assessment</td>
</tr>
<tr>
<td>Date: 18/12/2013</td>
</tr>
<tr>
<td>Topic: Agriculture - cooperatives</td>
</tr>
<tr>
<td>Description of the recommendation</td>
</tr>
<tr>
<td>The team recommends expanding on the issue of a declining number of co-operatives. Are the requirements too demanding? What are the requirements? Could something be done to address the problem and what are its consequences?</td>
</tr>
<tr>
<td>How recommendation has been addressed or justification as to why not taken into account</td>
</tr>
<tr>
<td>Accepted</td>
</tr>
</tbody>
</table>
Cooperatives has been described in more detail through SWOT analysis.

3.2.41. R_041: Natural resources

Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: Natural resources
Description of the recommendation

It is recommended to focus on the description of natural resources rather than analysing possible RD measures in the “natural resources” section.

How recommendation has been addressed or justification as to why not taken into account

Accepted
This is addressed in more detail through SWOT analysis.

3.2.42. R_042: Natural resources - agriculture land

Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: Natural resources - agriculture land
Description of the recommendation

It is recommended to check the entire document for consistency of data on agricultural areas (total and UAA) as the current version includes different figures. Chapter 4.2.1 on ‘agricultural land’ quotes 1,326,083 ha UAA and 2,695,037 total agricultural land; on page 130 it is 1,099,590 ha; in Table 22 there is also a figure of 1,099,590 ha; in Table 30 it is 3,130,317 ha, in Table 31 it is 3,212,294 ha.

How recommendation has been addressed or justification as to why not taken into account

Accepted, checked and changed.

3.2.43. R_043: Natural resources - state owned agricultural land

Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: Natural resources - state owned agricultural land
**Description of the recommendation**

The team recommends inserting a table with up-to-date figures on state-owned agricultural land, including total ha sold, leased, and still available. It is also recommended to provide the same figures on agricultural land operated by the Lands Fund.

**How recommendation has been addressed or justification as to why not taken into account**

Not accepted
No data are available.

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### 3.2.44. R_044: Natural resources - Water Framework Directive

Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: Natural resources - Water Framework Directive

**Description of the recommendation**

The team recommends describing the current status of implementation of the Water Framework Directive in the 4.2.3. “Water resources” section.

**How recommendation has been addressed or justification as to why not taken into account**

Accepted
Information has been included in chapter 4.

---

### 3.2.45. R_045: Agricultural population - hidden employment

Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: Agricultural population - hidden employment

**Description of the recommendation**

The team recommends expanding on the issue of hidden employment in the agricultural sector due to the small average size of farms. It is not clear how big this problem is or how it can be addressed.

**How recommendation has been addressed or justification as to why not taken into account**
3.2.46. R_046: Agricultural population - education

Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: Agricultural population - education
Description of the recommendation

The team recommends including an analysis of the schools engaged in agricultural education, their performance, and the challenges faced by these and other institutions.

How recommendation has been addressed or justification as to why not taken into account

Not accepted
This is not present in the general description and the RDP will not resolve the wider question of the availability of agricultural vocational training. The updating of vocational training programmes in Croatia will be covered by the ESF.

3.2.47. R_047: Agricultural population - educational delivery system

Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: Agricultural population - educational delivery system
Description of the recommendation

The team recommends addressing the challenge of developing the educational delivery system and meeting the needs of the rural population for lifelong learning in close co-operation with the AAS and NIS.

How recommendation has been addressed or justification as to why not taken into account

Accepted
This is addressed in more detail in chapter 4.

3.2.48. R_048: Adult education system - lifelong learning

Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: Adult education system - lifelong learning

Description of the recommendation

In section 4.2 on the adult education system, it is recommended to reconsider the concept of lifelong learning and the role of VET in the light of RD objectives, in order to assess the need for an enhanced effort in the sector.

How recommendation has been addressed or justification as to why not taken into account

Accepted
This is addressed in more detail in chapter 4.

3.2.49. R_049: Agricultural advisory service - analysis

Category of recommendation: Other
Date: 18/12/2013
Topic: Agricultural advisory service - analysis

Description of the recommendation

The team recommends substantiating the text concerning the AAS and preparing a comprehensive analysis of the service.

How recommendation has been addressed or justification as to why not taken into account

Accepted
A description of advisory capacity has been included in chapter 5.5 (in line with the SFC template). It should be noted the Advisory Service now encompasses Forestry and is renamed.

3.2.50. R_050: Agricultural advisory service - activities

Category of recommendation: Other
Date: 18/12/2013
Topic: Agricultural advisory service - activities

Description of the recommendation

It is recommended to include a presentation of the activities of the AAS (at least in terms of outputs delivered), e.g. seminars and workshops produced, informative material, training sessions, field demonstrations, visits to farmers etc. Data on the results and impact of AAS activities for assisted farmers
could also be presented if available.

How recommendation has been addressed or justification as to why not taken into account

Accepted
A description of publicity arrangements (including the role of the AS) has been included in chapter 15.3 (in line with the SFC template).

3.2.51. R_051: Agricultural advisory service - SWOT

Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: Agricultural advisory service - SWOT
Description of the recommendation

The AAS is the only topic presented in a SWOT format with strengths and weaknesses. The team recommends reorganising the text in an alternative format.

How recommendation has been addressed or justification as to why not taken into account

Accepted
The AS is described in line with the SFC template, in particular in section 5.5.

3.2.52. R_052: Impact of agriculture on soil and water - mineral fertiliser consumption and total nutrient consumption

Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: Impact of agriculture on soil and water - mineral fertiliser consumption and total nutrient consumption
Description of the recommendation

It is recommended to provide data on both total mineral fertiliser consumption and total nutrient consumption per ha of UAA (for each of the three key nutrients N, P2O5 and K2O) as well as to provide data on nutrient balance in section 4.5.1.

How recommendation has been addressed or justification as to why not taken into account

Not accepted
No official data are available.

3.2.53. R_053: Impact of agriculture on soil and water - fertiliser consumption data

Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: Impact of agriculture on soil and water - fertiliser consumption data
Description of the recommendation

The team recommends using fertiliser consumption data recently prepared for Eurostat by the expert committee involving representatives of the MoA, MoE, EA, CBS, PA, Ekonerg and Petrokemija d.d. since data on nutrient consumption from the Statistical Yearbook concern only consumption by legal entities and not by family farms.

How recommendation has been addressed or justification as to why not taken into account

Not accepted
Complete data is not available.

3.2.54. R_054: Impact of agriculture on soil and water - discharge of manure originating from livestock farming

Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: Impact of agriculture on soil and water - discharge of manure originating from livestock farming
Description of the recommendation

Given that most farms in Croatia have no adequate system for the disposal and storage of manure, it is recommended to provide the following data on current storage capacities: (a) required storage capacity to accommodate livestock manure according to good agricultural practice, expressed in m³; (b) current storage capacities for farmyard manure and slurry (also expressed in m³); and (c) the percentage of producers who have access to adequate facilities.

How recommendation has been addressed or justification as to why not taken into account

Not Accepted
No data are available.
3.2.55. R_055: Impact of agriculture on soil and water - vulnerable area

Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: Impact of agriculture on soil and water - vulnerable area
Description of the recommendation

It is recommended to describe the current monitoring system of surface and groundwater pollution caused by agricultural activities with reference to EU requirements.

How recommendation has been addressed or justification as to why not taken into account
Not Accepted
There is currently no monitoring system that can determine levels of pollution from agriculture.

3.2.56. R_056: Impact of agriculture on soil and water - soil erosion

Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: Impact of agriculture on soil and water - soil erosion
Description of the recommendation

Since different Croatian regions are at different risk of erosion, it is recommended to express erosion risk (in t/ha/yr) for different regions and for the major uses of agricultural land (arable land, orchards, vineyards, vegetable production and permanent grassland) in the section on soil erosion.

How recommendation has been addressed or justification as to why not taken into account
Not Accepted
No data are available.

3.2.57. R_057: Air quality and greenhouse gas emissions

Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: Air quality and greenhouse gas emissions
Description of the recommendation

It is recommended to explain the trend in CH4 emissions in the last seven years as well as trends in total
greenhouse gas emissions originating from Croatian agriculture.

How recommendation has been addressed or justification as to why not taken into account

**Partially accepted**
Total GHG emissions for 2010 and 2011 are given through SWOT analysis

### 3.2.58. R_058: Biodiversity and Agriculture - Natura 2000

Category of recommendation: The SWOT analysis, needs assessment  
Date: 18/12/2013  
Topic: Biodiversity and Agriculture - Natura 2000  
Description of the recommendation

It is recommended to update this chapter to include data from new ordnance on the Natura 2000 ecological network and particularly the percentages of terrestrial and marine areas (which are not correct). It is also recommended to provide data on the share of UAA under Natura 2000 as compared to the total amount of UAA.

How recommendation has been addressed or justification as to why not taken into account

**Accepted**  
Detailed information on Natura 2000 areas is available through separate SEA report (see chapter 3.2.2.).

### 3.2.59. R_059: Agricultural production - economic importance of various products

Category of recommendation: The SWOT analysis, needs assessment  
Date: 18/12/2013  
Topic: Agricultural production - economic importance of various products  
Description of the recommendation

The team recommends including information on the economic data used to describe the development in the economic importance of various products in section 4.6. “Agricultural production”.

How recommendation has been addressed or justification as to why not taken into account

**Accepted**  
This is addressed in more detail through SWOT analysis.
3.2.60. R_060: Agricultural production - analysis of the individual products

Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: Agricultural production - analysis of the individual products
Description of the recommendation

The team recommends preparing a stronger analysis based on production and consumption figures together with trade statistics for the individual products in order to map the development in the relative market shares of the products, first and foremost on the domestic but also on the export market. The team also recommends describing and analysing individual products in more detail rather than in large, homogeneous groups (such as “fruits and vegetables”).

How recommendation has been addressed or justification as to why not taken into account

Accepted
This is addressed in more detail through SWOT analysis.

3.2.61. R_061: Agricultural production - drivers that stimulate development of the products and sub-sectors

Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: Agricultural production - drivers that stimulate development of the products and sub-sectors
Description of the recommendation

The team recommends enhancing the analysis of the factors behind the development of the products and sub-sectors, i.e. both the drivers that stimulate the development and the obstacles that block it.

How recommendation has been addressed or justification as to why not taken into account

Accepted
The analysis has been improved in the various sections of Chapter 4 following the intervention logic and the SFC template.

3.2.62. R_062: Agricultural production - analysis in the sub-sectors

Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: Agricultural production - analysis in the sub-sectors

Description of the recommendation

The team recommends strengthening the analysis of investment-related and other needs in the sub-sectors. This has been done to some extent but not for all products and not always in detail.

How recommendation has been addressed or justification as to why not taken into account

Accepted
This is addressed in more detail through SWOT analysis.

3.2.63. R_063: Agricultural production - organic and integrated production

Category of recommendation: The SWOT analysis, needs assessment

Date: 18/12/2013

Topic: Agricultural production - organic and integrated production

Description of the recommendation

It is recommended to check the figures on quantities produced organically (section 4.6.2) since the figures presented suggest that the average yield for orchards is 292 kg per ha, for olive groves 75 kg per ha and for vineyards 733 kg grapes per ha, etc. These totals seem very low.

How recommendation has been addressed or justification as to why not taken into account

Party accepted
Analysis of data on the organic production was done to the extent permitted by the SFC template.

3.2.64. R_064: Food processing industry - competitiveness

Category of recommendation: The SWOT analysis, needs assessment

Date: 18/12/2013

Topic: Food processing industry - competitiveness

Description of the recommendation

In the “Food processing industry” section, it is recommended to further analyse the competitiveness of the individual products and the drivers behind the trends. It is also recommended to enhance the analysis of the potential role of quality schemes.

How recommendation has been addressed or justification as to why not taken into account
Accepted  
This is addressed in more detail through SWOT analysis.

3.2.65. R_065: Food processing industry - value chains

Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: Food processing industry - value chains
Description of the recommendation

Value chain organisation is not addressed in this section. The topic is dealt with in the section on agricultural production, but only to some extent and with some variation from sub-sector to sub-sector. The topic may merit a separate section in the RDP and it is recommended that one be included in which the integration and organisation of value chains is discussed at the level of both products and sub-sectors and the challenges described and analysed.

How recommendation has been addressed or justification as to why not taken into account

Partially accepted
The specific conditions in Croatia concerning the organisation of value chains are addressed in different parts of the RDP, in particular in Need 12. The specific limitation of the SFC template have been respected.

3.2.66. R_066: Food processing industry - quality schemes

Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: Food processing industry - quality schemes
Description of the recommendation

The team recommends that the text better argue the need for quality schemes. If quality products are to play a bigger role in the future, it is necessary to make the case for support as solid as possible with the help of data that show both the likely benefits for producers and consumer preferences.

How recommendation has been addressed or justification as to why not taken into account

Accepted  
This is addressed in more detail through chapter 4.
3.2.67. R_067: Forestry and the wood industry - types of forests and forest land

Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: Forestry and the wood industry - types of forests and forest land
Description of the recommendation

It is recommended to move data on different types of forests and forest land from the description of Measure 26 to the section on ‘forestry and wood industry’.

How recommendation has been addressed or justification as to why not taken into account

Accepted
Data on different types of forests and forest land have been moved within a very limited SFC framework.

3.2.68. R_068: Forestry and the wood industry - relevant common context indicators in the forestry

Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: Forestry and the wood industry - relevant common context indicators in the forestry
Description of the recommendation

The team recommends including all relevant common context indicators in the forestry analysis. For instance, a context indicator on total forest area should be complemented with separate figures for forest area and transitional woodland shrub. Total number and % of total employment and labour productivity (total GVA per full-time employee) should be included, and also the following environmental indicators have to be added: share of Forests and Other Wooded Land (FOWL) protected to conserve biodiversity, landscapes and specific natural elements; production of renewable energy from forestry and direct use of energy in forestry.

How recommendation has been addressed or justification as to why not taken into account

Accepted

3.2.69. R_069: Forestry and the wood industry - biodiversity

Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
### Topic: Forestry and the wood industry - biodiversity

**Description of the recommendation**

An intervention addressing the problem that there is a general lack of understanding of the importance and impacts on biodiversity is described in the analysis. It is recommended to include a description of the actual problem in this sectoral analysis rather than describe the intervention.

**How recommendation has been addressed or justification as to why not taken into account**

**Partially accepted**

Sustainable forest management, as described under forestry analysis notes biodiversity and impacts on it as one of the core SFM principles. Due to the SFC framework, it is of only limited scientific detail and describes the role and importance of biodiversity in forest ecosystems.

### 3.2.70. R_070: Forestry and the wood industry - needs

**Category of recommendation:** The SWOT analysis, needs assessment  
**Date:** 18/12/2013  
**Topic:** Forestry and the wood industry - needs  
**Description of the recommendation**

It is recommended to document the needs “to improve the quality of management, build and restore forest roads, increase production and mobilise forest biomass, regulate the wood products market, consolidate holdings and increase investments in improving resistance, environmental and long-term economic values of private forests” described in the forestry section.

**How recommendation has been addressed or justification as to why not taken into account**

**Accepted**

Specific forestry needs are addressed in the form of thematic operations: improving the quality of management, building forest roads and mobilising forest biomass under sub-measure 4.3. Support to investment in infrastructure related to the development, modernisation and adjustment of agriculture and forestry and the issues of the wood product market and the environmental and long-term economic value of private forests will be addressed under two sub-measures: 8.5: Investments to improve the resilience and environmental value of forest ecosystems and 8.6: Investments in forestry technologies and in the production and marketing of forest products.

### 3.2.71. R_071: Forestry and the wood industry - Homeland War

**Category of recommendation:** The SWOT analysis, needs assessment  
**Date:** 18/12/2013
3.2.72. R_072: Forestry and the wood industry - employees working in wood processing

Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: Forestry and the wood industry - employees working in wood processing
Description of the recommendation

The team recommends explaining why the number of employees working in wood processing dropped from 35,060 in 1990 to 10,839 in 2011. Also it is recommended in this context to add figures on turnover, GVA, and GVA/AWU.

How recommendation has been addressed or justification as to why not taken into account

Accepted
Measure 8: Investments in forest area development and the improvement of forest viability explains the reasons behind the significant decrease in the number of workers employed in wood processing. These mainly relate to the legacy of the Homeland war and the current economic transition to a market economy.

3.2.73. R_073: SWOT - short summary of the ACS

Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: SWOT - short summary of the ACS
Description of the recommendation

The team recommends including a short summary of the ACS above the SWOT section, where the conclusions on each of the 6 rural development priorities are summarised. This will ensure that all RD
priority topics are addressed in the ACS.

How recommendation has been addressed or justification as to why not taken into account

Accepted
In line with the SFC template, a summary of the ACS is included under 4.1.1. It is a comprehensive overall description of the current situation in the programming area, based on common and programme-specific context indicators and qualitative information.

3.2.74. R_074: SWOT - per each of the 6 RD priorities

Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: SWOT - per each of the 6 RD priorities
Description of the recommendation

The team highly recommends reintroducing the SWOT from previous drafts of the RDP, in which one SWOT was presented for each of the 6 RD priorities rather than one aggregated SWOT attempting to address them all.

How recommendation has been addressed or justification as to why not taken into account

Not accepted
In line with Commission guidance and specific recommendations, repetition has been avoided and the SWOT tables have been organised around the three sections of the structured template for the CCIs (socio-economic and rural situation; sectorial information; environment/climate) to cover all priorities.

3.2.75. R_075: SWOT - relation of topics

Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: SWOT - relation of topics
Description of the recommendation

The team also recommends specifying how the various topics of the SWOT relate to each other (i.e. the internal and controllable S and W to the external, non-controllable O and T) and how this relation should be addressed through potential strategic interventions.

How recommendation has been addressed or justification as to why not taken into account
Accepted
In line with SFC template, this has been included under 5.1 in the form of a justification of i) the needs selected to be addressed by the RDP; and ii) the choice of objectives, priorities and focus areas based on evidence from the SWOT and needs assessment.

3.2.76. R_076: SWOT - needs assessment

Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: SWOT - needs assessment
Description of the recommendation

The SWOT should be followed by a needs assessment in which the various strategic options and challenges identified in the SWOT are prioritised. The current draft of the RDP does not include an explicit needs assessment linking the ACS and the SWOT on one hand with the strategy and the prioritisation of resources on the other. The team highly recommends including a needs assessment.

How recommendation has been addressed or justification as to why not taken into account

Accepted
The needs assessment is described in chapter 4.2: Identification of needs.

3.2.77. R_077: SWOT - land ownership, small farms, small-scale processing, financial engineering instruments

Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: SWOT - land ownership, small farms, small-scale processing, financial engineering instruments
Description of the recommendation

The team recommends including the following issues in the SWOT as they are of high importance to Croatian agriculture: 1) Land ownership; 2) Small farms; 3) Small-scale processing; and 4) Financial engineering instruments.

How recommendation has been addressed or justification as to why not taken into account

Partly accepted
Financial engineering instruments are planned to be involved in the second half of the programme period (2017-2020). This is indicated in Section 8.1. The other issues have been included in the SWOT.
3.2.78. R_078: SWOT - access to water supply, sewage systems, wastewater treatment

Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: SWOT - access to water supply, sewage systems, wastewater treatment
Description of the recommendation

The team recommends that the need for i) improved access to water supply; ii) sewage systems and iii) wastewater treatment be included in the SWOT as three independent weaknesses, each of which must be targeted in the needs assessment section.

How recommendation has been addressed or justification as to why not taken into account

Partially accepted
The access to basic utilities has been analysed in the SWOT - the access to water supply, sewage systems, wastewater treatment for settlements under 2000 inhabitants shall be funded under the RDP.

3.2.79. R_079: Pre-Accession Rural Development Programmes (SAPARD, IPARD) - lessons learnt

Category of recommendation: Other
Date: 18/12/2013
Topic: Pre-Accession Rural Development Programmes (SAPARD, IPARD) - lessons learnt
Description of the recommendation

The section on SAPARD provides very little information and the team recommends expanding it, e.g. by adding more lessons learnt. Such information may include i) whether any jobs were created or maintained; ii) whether Croatia has experienced an increase in productivity; iii) whether the beneficiaries were in compliance with EU requirements upon project completion, etc. It is also recommended to add information on how the 37 projects were distributed regionally and whether this distribution occurred as expected.

How recommendation has been addressed or justification as to why not taken into account

Accepted
Since the SFC template does not foresee a chapter on the effects of pre-accession rural development programmes (SAPARD, IPARD), a link to available information (i.e. the ex-post evaluation of SAPARD) is incorporated into the chapter on the Evaluation Plan.
3.2.80. R_080: Pre-Accession Rural Development Programmes (SAPARD, IPARD) - “Shadow report”

Category of recommendation: Other
Date: 18/12/2013
Topic: Pre-Accession Rural Development Programmes (SAPARD, IPARD) - “Shadow report”

Description of the recommendation

The team recommends drastically shortening the section on IPARD by, among others, removing the text from “measure 101 Investments in agricultural holdings to restructure and to upgrade to Community Standards” (page 110) to the sub-section on page 114 “1.2.2 Results of implementation for the period ending on 31 December 2012”. Instead, the team recommends including some of the findings from the “Shadow report” prepared by the NRN in 2013.

How recommendation has been addressed or justification as to why not taken into account

Accepted
Since the SFC template does not foresee a chapter on the effects of pre-accession rural development programmes (SAPARD, IPARD), a link to available information (Shadow Report) is incorporated into the chapter on the Evaluation Plan.

3.2.81. R_081: Pre-Accession Rural Development Programmes (SAPARD, IPARD) - results of IPARD

Category of recommendation: Other
Date: 18/12/2013
Topic: Pre-Accession Rural Development Programmes (SAPARD, IPARD) - results of IPARD

Description of the recommendation

The team recommends including information on the results achieved through IPARD and ideally also on impacts (e.g. figures on the average project size for each measure).

How recommendation has been addressed or justification as to why not taken into account

Accepted
Since the SFC template does not foresee a chapter on the effects of pre-accession rural development programmes (SAPARD, IPARD), links to available information (Annual IPARD implementation reports and IPARD evaluation reports) are incorporated into the chapter on the Evaluation Plan.

3.2.82. R_082: Strategy - timing of the implementation of the measures

Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
In the strategy chapter, rather than stating that all measures under the RDP will be implemented from 2015, the team recommends stating that the implementation of the various measures will be planned to take place in compliance with the build-up of administrative and management capacities and skills in the MA and PA.

This has been included in chapter 5: Description of the strategy (in line with the SFC template).

The team recommends strengthening the ACS, SWOT and needs assessment and based on this improvement, enhancing the text in the section on the justification of strategies.

This has been included in chapter 5: Description of the strategy and in sub-chapter 5.1 in the form of a justification of i) the needs selected to be addressed by the RDP; and ii) the choice of objectives, priorities and focus areas based on evidence from the SWOT and needs assessment (in line with the SFC template).

The team recommends including an explicit focus in the strategy on improving i) the land market; ii) conditions for the small farms and iii) conditions for small-scale processing (including on-farm
processing), as well as on interventions supporting the development of high-quality products that go beyond geographical indication.

How recommendation has been addressed or justification as to why not taken into account

Accepted
This has been included in chapter 5: Description of the strategy. The choice, combination and justification of rural development measures have been listed for each focus area (in line with the SFC template).

3.2.85. R_085: Strategy - sub-programme for small farms

Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: Strategy - sub-programme for small farms
Description of the recommendation

The team recommends including a thematic sub-programme for small farms in line with the option provided by the draft regulation.

How recommendation has been addressed or justification as to why not taken into account

Not accepted
Croatia will not include a thematic sub-programme for small farms but support for the development of small farms has been envisaged through a specific type of operation. This is to avoid any unnecessary increase in the administrative burden.

3.2.86. R_086: Strategy - balance

Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: Strategy - balance
Description of the recommendation

The team recommends considering how to balance the strategy in order to fulfil objectives under all 6 priorities. This is also relevant in the light of mutually exclusive objectives, such as increased labour productivity and the creation of jobs.

How recommendation has been addressed or justification as to why not taken into account
3.2.87. R_087: Ex-Ante Conditionality - updating

Category of recommendation: Programme implementing arrangements
Date: 18/12/2013
Topic: Ex-Ante Conditionality - updating
Description of the recommendation

The team recommends updating this chapter at a later stage and in accordance with the final text of Annex 4 of the RD regulation.

How recommendation has been addressed or justification as to why not taken into account

Accepted
This has been updated and included as part of chapter 6: Assessment of ex-ante conditionalities (in line with the SFC template).

3.2.88. R_088: Performance framework - headings

Category of recommendation: Establishment of targets, distribution of financial allocations
Date: 18/12/2013
Topic: Performance framework - headings
Description of the recommendation

The empty table 93 “Efficiency of implementation” is organised according to axes. The team recommends using the headings from the new regulation relating to priorities.

How recommendation has been addressed or justification as to why not taken into account

Accepted
A template table from the SFC is used and presented in chapter 7. Description of the performance framework.
3.2.89. R_089: Performance framework - content of the table

Category of recommendation: Establishment of targets, distribution of financial allocations
Date: 18/12/2013
Topic: Performance framework - content of the table

Description of the recommendation

The team also recommends including some short text explaining the content of the table once it has been filled in.

How recommendation has been addressed or justification as to why not taken into account

Partly accepted
This is done in line with the SFC template.

3.2.90. R_090: Measures - justification of the measures

Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: Measures - justification of the measures

Description of the recommendation

When the ACS is updated and enhanced, better justification may be included in the description of the measures and more general text may be deleted. The team recommends reassessing the justification for each measure once the ACS has been updated.

How recommendation has been addressed or justification as to why not taken into account

Accepted
Precise justification is included in the description of each measure.

3.2.91. R_091: Measures - objective hierarchies

Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: Measures - objective hierarchies

Description of the recommendation

The measures do not present an intervention logic or objective hierarchy (a presentation of the overall, specific and operational objectives indicating that the intervention intends to generate certain impacts,
results and outputs). It is recommended to prepare and insert these hierarchies since they would provide
the reader with a very detailed and clear understanding of the idea behind the measure.

How recommendation has been addressed or justification as to why not taken into account

<table>
<thead>
<tr>
<th>Accepted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structuring of the programme in line with the SFC template has improved the visibility and justifiability of the intervention logic.</td>
</tr>
</tbody>
</table>

### 3.2.92. R_092: Measures - quantification of objectives and targets

**Category of recommendation:** Establishment of targets, distribution of financial allocations  
**Date:** 18/12/2013  
**Topic:** Measures - quantification of objectives and targets  
**Description of the recommendation**

The team highly recommends adding the quantification of targets to each measure, which will also allow for the preparation of the Indicator Plan.

**How recommendation has been addressed or justification as to why not taken into account**

<table>
<thead>
<tr>
<th>Partly accepted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Targets for the measures have now been incorporated into the Indicator Plan in line with the SFC template.</td>
</tr>
</tbody>
</table>

### 3.2.93. R_093: Measures - breakdown of financial budgets

**Category of recommendation:** Establishment of targets, distribution of financial allocations  
**Date:** 18/12/2013  
**Topic:** Measures - breakdown of financial budgets  
**Description of the recommendation**

The team recommends disaggregating the budget by sub-measure in order to estimate the contributions made by each measure to focus areas and priorities.

**How recommendation has been addressed or justification as to why not taken into account**

<table>
<thead>
<tr>
<th>Accepted</th>
</tr>
</thead>
<tbody>
<tr>
<td>The budget is broken down by measure, type of operation and (indicatively) by Focus Area and will be</td>
</tr>
</tbody>
</table>

3.2.94. R_094: Measures - investment measures and sub-measures

Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: Measures - investment measures and sub-measures

Description of the recommendation

For all investment measures and sub-measures, it is advised to add the following sentence: “Where the investment is likely to have a negative effect on the environment, investment operations shall be preceded by an assessment of the expected environmental impact in accordance with legislation specific to the type of investment in question.”

How recommendation has been addressed or justification as to why not taken into account

Accepted
Information concerning the obligations for EIA has been included in 8.1

3.2.95. R_095: Measures - payments in instalment

Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: Measures - payments in instalment

Description of the recommendation

As regards payments in instalments, the team recommends indicating the maximum number of instalments to be accepted.

How recommendation has been addressed or justification as to why not taken into account

Partially Accepted
Specific indications are made regarding the payment of advances in line with Regulatory provisions. Further specification on instalments has not been made at programme level, but shall be taken into consideration in Ordinances for specific types of operations.
3.2.96. R_096: M 1 - beneficiaries

Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: M 1 - beneficiaries
Description of the recommendation

The team recommends clarifying under the “knowledge transfer and information” measure that training needs apply not only to employees, but also to farm holders and managers in the sector.

How recommendation has been addressed or justification as to why not taken into account
Accepted

3.2.97. R_097: M 1 - complementarity of the funding

Category of recommendation: Programme implementing arrangements
Date: 18/12/2013
Topic: M 1 - complementarity of the funding
Description of the recommendation

The team recommends adding a description in the RDP on how overlaps in funding will be avoided and control accomplished in relation to the funding of training and information activities not funded through other support schemes.

How recommendation has been addressed or justification as to why not taken into account
Accepted

3.2.98. R_098: M 1 - support levels

Category of recommendation: Establishment of targets, distribution of financial allocations
Date: 18/12/2013
Topic: M 1 - support levels
Description of the recommendation

The team recommends clarifying how the support levels for the “knowledge transfer” measure have been defined.
How recommendation has been addressed or justification as to why not taken into account

Accepted
These have been defined based on Commission guidance and the intervention logic. The programming of this measure has followed this logic.

3.2.99. R_099: M 2 - financial plan by sub-measure

Category of recommendation: Establishment of targets, distribution of financial allocations
Date: 18/12/2013
Topic: M 2 - financial plan by sub-measure
Description of the recommendation

In the measure “Provision of advisory services”, the team recommends disaggregating the financial plan by sub-measure.

How recommendation has been addressed or justification as to why not taken into account

Accepted
The Financial Plan breaks down the budget by measure, type of operation and Focus Area and is presented in chapter 10.

3.2.100. R_100: M 2 - clarifying beneficiaries

Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: M 2 - clarifying beneficiaries
Description of the recommendation

The team recommends clarifying whether legal entities in Croatia are registered to provide training of staff of advisory services.

How recommendation has been addressed or justification as to why not taken into account

Accepted
Clarification on potential beneficiaries have been made in accordance with Commission guidance.
3.2.101. R_101: M 2 - maximum support rate

Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: M 2 - maximum support rate

Description of the recommendation

The team recommends reassessing the maximum support rate for the “Provision of advisory services” measure (currently 200,000 € for three years for one advisor).

How recommendation has been addressed or justification as to why not taken into account

Accepted

3.2.102. R_102: M 3 - feasibility of schemes

Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: M 3 - feasibility of schemes

Description of the recommendation

Regarding the measure “Quality schemes for agricultural products and foodstuffs”, the team recommends conducting a small study of the costs and benefits experienced by the producers and processors of the products already under the quality schemes.

How recommendation has been addressed or justification as to why not taken into account

Not Accepted
Since financing of studies relating to new programming through current Technical Assistance measure under IPARD is not allowed, MoA did not have the financial possibility to perform such studies. Furthermore, quality marks are very recent in Croatia and a study would be premature.

3.2.103. R_103: M 3 - clarifying of marking of the product or foodstuff from a quality scheme

Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: M 3 - clarifying of marking of the product or foodstuff from a quality scheme

Description of the recommendation

The team recommends clarifying whether a product or foodstuff from a quality scheme that is sold on the
market must be marked with i) the national label of the quality scheme; ii) the EU label of the quality scheme; iii) an indication that the product is used for a particular label; or iv) with a combination of all three labels.

How recommendation has been addressed or justification as to why not taken into account

Accepted

3.2.104. R_104: M 3 - intensity of aid

Category of recommendation: Establishment of targets, distribution of financial allocations
Date: 18/12/2013
Topic: M 3 - intensity of aid
Description of the recommendation

The team recommends increasing the intensity of aid provided to informative activities under the measure “Quality schemes for agricultural products and foodstuffs”, which is currently indicated to be 1,000 € per beneficiary.

How recommendation has been addressed or justification as to why not taken into account

Accepted

3.2.105. R_105: M 4 - eligibility conditions

Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: M 4 - eligibility conditions
Description of the recommendation

It is indicated in the measure “Investments in tangible assets” that a standard economic output of 1,200 € per year for a small farm is at the edge of sustainability. The team recommends clarifying the impact of this statement in terms of eligibility for applicants.

How recommendation has been addressed or justification as to why not taken into account

Accepted
The size of the farm in terms of the economic standard output as the eligibility condition has been
excluded from the measure 4.

3.2.106. R_106: M 4 - clarification of eligibility conditions (4.1)
Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: M 4 - clarification of eligibility conditions (4.1)
Description of the recommendation

The team recommends clarifying whether it is correct that no limitations to eligibility are defined under article 18.1.

How recommendation has been addressed or justification as to why not taken into account

Accepted
Eligibility conditions have been specified.

3.2.107. R_107: M 4 - criteria and terms under eligible investments (4.1)
Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: M 4 - criteria and terms under eligible investments (4.1)
Description of the recommendation

The team recommends being even more specific in defining criteria and terms under eligible investments in order to avoid ambiguity.

How recommendation has been addressed or justification as to why not taken into account

Accepted
Eligible investments have been specified.

3.2.108. R_108: M 4 - support rate (4.1)
Category of recommendation: Establishment of targets, distribution of financial allocations
Date: 18/12/2013
Topic: M 4 - support rate (4.1)
Description of the recommendation
The team recommends reconsidering both the lower and upper limit of the support rate of measure 18.1 in order to narrow the spectrum.

How recommendation has been addressed or justification as to why not taken into account

Partly accepted
The lower and upper limits of the support rate have been established due to the structure of agricultural production. Some further specifications have been made in ensuring the distribution of funds to further respect the needs and the chosen Strategy.

3.2.109. R_109: M 4 - eligibility conditions (4.2.)

Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: M 4 - eligibility conditions (4.2.)
Description of the recommendation
The team recommends clarifying whether it is correct that no limitations to eligibility are defined under article 18.2.

How recommendation has been addressed or justification as to why not taken into account
Accepted
Eligibility conditions have been specified.

3.2.110. R_110: M 4 - eligibility investments

Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: M 4 - eligibility investments
Description of the recommendation
The team recommends being even more specific in defining criteria and terms under eligible investments in order to avoid ambiguity (e.g. are all types of on-farm and on-farm infrastructure, including water supply, electricity, IT, waste, sewage etc. eligible and what is the difference between machinery, equipment and technologies?)

How recommendation has been addressed or justification as to why not taken into account
Eligible investments have been specified.

3.2.111. R_111: M 4 - aid intensity (4.2)

Category of recommendation: Establishment of targets, distribution of financial allocations
Date: 18/12/2013
Topic: M 4 - aid intensity (4.2)
Description of the recommendation

The team recommends clarifying whether the increased aid intensity of 20% in article 18.2 (when an applicant is part of an EIP project) equals an aid intensity of 70% of the total investment costs or an extra 20% of 50% = 60% in total.

How recommendation has been addressed or justification as to why not taken into account

Accepted
The aid intensity has been made explicit.

3.2.112. R_112: M 4 - irrigation system (4.3)

Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: M 4 - irrigation system (4.3)
Description of the recommendation

Regarding sub-measure 18.3, the team recommends that in the case of irrigation, all conditions outlined in article 46 of the RD regulation should be taken into account and investments brought into line with Directive 2000/60/EC and the river basin management plan.

How recommendation has been addressed or justification as to why not taken into account

Accepted
Specific reference is now made in the Measure to all requirements and conditions.

3.2.113. R_113: M 4 - demarcations between articles 4.1 and 4.2

Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: M 4 - demarcations between articles 4.1 and 4.2

Description of the recommendation

The team recommends making clear demarcations between investments in infrastructure supported under articles 18.1 and 18.2 in order to make it clear under which sub-measure beneficiaries should apply.

How recommendation has been addressed or justification as to why not taken into account

Accepted
This is now clearly demarcated.

3.2.114. R_114: M 4 - beneficiaries (4.4)

Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: M 4 - beneficiaries (4.4)

Description of the recommendation

Regarding article 18.4, the team recommends adding groups of farmers and other land managers as eligible beneficiaries.

How recommendation has been addressed or justification as to why not taken into account

Accepted

3.2.115. R_115: M 4 - eligible investments (4.4)

Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: M 4 - eligible investments (4.4)

Description of the recommendation

The team recommends being even more specific in defining criteria and terms under eligible investments to avoid ambiguity (e.g. terraces, stonewalls, “kažuni” etc.).

How recommendation has been addressed or justification as to why not taken into account
3.2.116. R_116: M 6 - objectives of the measure (6.3)

Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: M 6 - objectives of the measure (6.3)

Description of the recommendation

Regarding the “Farm and business development” measure, the team recommends stating that the measure does not support investments in agricultural production that will only improve the self-sufficiency of small farms (as is currently stated in the justification).

How recommendation has been addressed or justification as to why not taken into account

Accepted
In accordance with the SFC template, the objectives of the measure are detailed and their contribution described to various rural development priorities and focus areas.

3.2.117. R_117: M 6 - justification of the need for young farmers (6.1)

Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: M 6 - justification of the need for young farmers (6.1)

Description of the recommendation

The team recommends improving the justification and substantiating the description of the needs of young farmers, an increased number of micro and small businesses and non-agricultural activities.

How recommendation has been addressed or justification as to why not taken into account

Accepted
A better description has been included in chapter 4.2.

3.2.118. R_118: M 6 - link with other measures

Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: M 6 - link with other measures

Description of the recommendation

The team recommends describing how the “Farm and business development” measure will interlink with other measures.

How recommendation has been addressed or justification as to why not taken into account

Accepted

3.2.119. R_119: M 6 - start up defining (6.1)

Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: M 6 - start up defining (6.1)
Description of the recommendation

The team recommends defining a minimum size of farm that a young farmer is allowed to start up.

How recommendation has been addressed or justification as to why not taken into account

Accepted.
This has been clearly stated in the conditions.

3.2.120. R_120: M 6 - business plan

Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: M 6 - business plan
Description of the recommendation

The team recommends defining, for this measure and others, some general topics to be included in the business plan.

How recommendation has been addressed or justification as to why not taken into account

Partially accepted.
The general topics to be included in the business plan, as applicable, are established by the Implementing
3.2.121. R_121: M 7 - link with other measures

Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: M 7 - link with other measures
Description of the recommendation

The team recommends incorporating a section which outlines how the measure “Basic services and village renewal in rural areas” should be linked (in terms of demarcation and complementarity) to other measures (particularly LEADER) as well as to other ESI Funds.

How recommendation has been addressed or justification as to why not taken into account
Accepted

3.2.122. R_122: M 4 - production of the renewable energy

Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: M 4 - production of the renewable energy
Description of the recommendation

The team recommends moving the eligible investment “production of renewable energy to be primarily used by agricultural holdings” to article 18.

How recommendation has been addressed or justification as to why not taken into account
Accepted
This definition has been deleted from the measure on farm and business development.

3.2.123. R_123: M 7 - investments under tourism infrastructure (7.4)

Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: M 7 - investments under tourism infrastructure (7.4)
Description of the recommendation
The team recommends broadening the list of investments under “investments in tourism infrastructure”.

How recommendation has been addressed or justification as to why not taken into account

Accepted
The list of investments in touristic infrastructure has been accordingly broadened.

3.2.124. R_124: M 7 - level of support rates

Category of recommendation: Establishment of targets, distribution of financial allocations
Date: 18/12/2013
Topic: M 7 - level of support rates
Description of the recommendation

The team recommends clarifying how the support rates have been calculated and determined.

How recommendation has been addressed or justification as to why not taken into account

Accepted

3.2.125. R_125: M 8 - moving chapter with data

Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: M 8 - moving chapter with data
Description of the recommendation

In the measure “Investments to improve the resilience and environmental value of forest ecosystems”, the team recommends moving the chapters with data on different type of forests to the sectoral analysis and to link it with the analysis of current situation.

How recommendation has been addressed or justification as to why not taken into account

Accepted
3.2.126. R_126: M 8 - justification of the need

Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: M 8 - justification of the need

Description of the recommendation

It is stated that it is important to restore the main indigenous tree species such as oak and ash, which have largely disappeared in private forests. However, it is not clear why this restoration is necessary, and it is recommended to clarify this issue.

How recommendation has been addressed or justification as to why not taken into account

Accepted
The following text is included: “Such stands are of poor resilience to current general climate change” and this is approved as “why this restoration is necessary”. It is possible to develop additional explanations if required.

3.2.127. R_127: M 8 - eligibility costs

Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: M 8 - eligibility costs

Description of the recommendation

In principle, eligible investments under the measure “Investments to improve the resilience and environmental value of forest ecosystems” seem to be in accordance with the draft RD regulation and measure fiche. However, some of the eligible costs might not be acceptable (e.g. costs of replanting actions in case of justified failure within a period of 5 years) and the team recommends checking this issue during the technical meetings with the DG Agri.

How recommendation has been addressed or justification as to why not taken into account

Accepted
The MoA further discussed this with DG Agri.

3.2.128. R_128: M 8 - amount of support

Category of recommendation: Establishment of targets, distribution of financial allocations
Date: 18/12/2013
The maximum amount of support during the programme period per beneficiary seems to be rather high, and the team recommends adding additional analysis and justification based on estimated per hectare costs of actions and number of potential private vs. public forest holders. 

The indicators have been appropriately examined.

Partially accepted
Indicators will be presented in chapter 11 of RDP.

The team recommends moving the chapters with data on different types of forests from the “Investment in forestry technologies and the manufacture and marketing of forest products” to the sectoral analysis.
3.2.131. R_131: M 8 - justification (8.6)

Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: M 8 - justification (8.6)

Description of the recommendation

The team recommends clarifying whether the competitive difficulties experienced by the small companies in pre-industrial wood processing are related to the domestic market, the international market or both. It is also recommended to ensure that this issue is sufficiently covered in the sectorial analysis.

How recommendation has been addressed or justification as to why not taken into account

Accepted

3.2.132. R_132: M 8 - definition of the ‘non-wood products’ (8.6)

Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: M 8 - definition of the ‘non-wood products’ (8.6)

Description of the recommendation

“Promotion of wood and non-wood forest products” is stated as an objective of the “Investment in forestry technologies...” measure. It is recommended to define what ‘non-wood products’ are, and to consider whether this wording may cause overlaps with some of the other measures.

How recommendation has been addressed or justification as to why not taken into account

Accepted

This is defined according to the National Forestry Act (wood and non-wood products). The opinion of the MoA is that there are no overlaps with other measures.

3.2.133. R_133: M 8 - amount of support (8.6)

Category of recommendation: Establishment of targets, distribution of financial allocations
Date: 18/12/2013
Topic: M 8 - amount of support (8.6)

Description of the recommendation

The team recommends including a calculation to justify the maximum amount of support during the programme period per beneficiary under this measure (set to € 5), which seems somewhat high.

How recommendation has been addressed or justification as to why not taken into account

Partially accepted
Maximum amounts per specific cost category will be determined through the implementation of RDP activities.

3.2.134. R_134: M 9 - eligibility of physical investments

Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: M 9 - eligibility of physical investments

Description of the recommendation

For the “Setting up producer groups and organisations” measure, the team recommends clarifying whether support can also be granted to physical investments, such as equipment and machinery (e.g. to ready products for the market and help farmers prepare for sale).

How recommendation has been addressed or justification as to why not taken into account

Accepted.
The eligible costs are clearly specified in the Measure.

3.2.135. R_135: M 9 - beneficiary

Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: M 9 - beneficiary

Description of the recommendation

The team recommends explaining what timeline is foreseen in the case where a producer group must be established in order to be eligible, yet support is available for the setting up of the producer group or association.
How recommendation has been addressed or justification as to why not taken into account

Accepted

3.2.136. R_136: M 10 - calculating payment rates
Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: M 10 - calculating payment rates
Description of the recommendation
For the “agri-environment and climate” measure, the team recommends excluding the double funding of greening practices when calculating the payments.

How recommendation has been addressed or justification as to why not taken into account

Partially accepted
Croatia has not yet defined greening (this will be taken into account at a later stage).

3.2.137. R_137: M 10 - greening requirements
Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: M 10 - greening requirements
Description of the recommendation
The team recommends explaining the approach to greening requirements, once these are established.

How recommendation has been addressed or justification as to why not taken into account

Partially Accepted
This will be added once the MoA makes the final decision on greening in Croatia.

3.2.138. R_138: M 10 - link between sub-measures and other measures
Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: M 10 - link between sub-measures and other measures
Description of the recommendation

The team recommends including a table with possible combinations of measures and AECM sub-measures as well as preparing text to explain their linkage to other measures.

How recommendation has been addressed or justification as to why not taken into account

Partially Accepted.
This has been implemented in accordance with the SFC template.
A table of possible combinations of types of operation within each measure has been added at the end of the text.

3.2.139. R_139: M 10 - eligibility criteria

Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: M 10 - eligibility criteria
Description of the recommendation

The team recommends following EC recommendations and considering collective beneficiaries (groups consisting of farmers, other land managers or a mixture of the two) with or without joint legal status as eligible for the AECM.

How recommendation has been addressed or justification as to why not taken into account

Not accepted
Farmers’ associations are added as the only group with legal status. The potential inclusion of an ad hoc group was discussed with the PA but it was concluded that this would be difficult to monitor.

3.2.140. R_140: M 10 - “Tilling and sowing on sloped terrain for arable annual plants” - justification (10.1)

Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: M 10 - “Tilling and sowing on sloped terrain for arable annual plants” - justification (10.1)
Description of the recommendation

Regarding the “Tilling and sowing on sloped terrain for arable annual plants” sub-measure, the team recommends including data on arable areas with different slopes (including a map).
How recommendation has been addressed or justification as to why not taken into account

Not accepted
The MoA decided not to include any maps as agricultural land is expected to increase in 2015 (for which maps and data will be prepared at some point by the PA).

3.2.141. R_141: M 10 - “Maintenance of agricultural terraces” - clarification (10.1)

Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: M 10 - “Maintenance of agricultural terraces” - clarification (10.1)
Description of the recommendation
The team recommends that the “Maintenance of agricultural terraces” sub-measure be financed under article 18d.

How recommendation has been addressed or justification as to why not taken into account

Not accepted
AEM is only for maintenance. Establishment of hedges, etc. is covered in measure 4.4.

3.2.142. R_142: M 10 - “Preservation of autochthonous and protected agricultural plant species and cultivars” - selection criteria (10.2)

Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: M 10 - “Preservation of autochthonous and protected agricultural plant species and cultivars” - selection criteria (10.2)
Description of the recommendation
Regarding the sub-measure “Preservation of autochthonous and protected agricultural plant species and cultivars”, the team recommends explaining the criteria for the selection of protected species and cultivars defined by a prescribed list of protected breeds and cultivars of the National Programme for conservation and sustainable use of plant genetic resources for food and agriculture in the Republic of Croatia.

How recommendation has been addressed or justification as to why not taken into account

Accepted
Both animal and plant species are now listed in the descriptions of operations proposed.
### 3.2.143. R_143: M 10 - “Preservation of grasslands of high natural value” - justification (10.1)

**Category of recommendation:** Construction of the intervention logic  
**Date:** 18/12/2013  
**Topic:** M 10 - “Preservation of grasslands of high natural value” - justification (10.1)  
**Description of the recommendation**

Regarding the sub-measure “Preservation of grasslands of high natural value”, the team recommends including data on areas (including a map) of grassland of high natural value.

**How recommendation has been addressed or justification as to why not taken into account**

Partly accepted  
The data and map will be prepared by the PA.

### 3.2.144. R_144: M 10 - “Preservation of landscape features (dry stonewalls and hedges)” - clarification (10.1)

**Category of recommendation:** Construction of the intervention logic  
**Date:** 18/12/2013  
**Topic:** M 10 - “Preservation of landscape features (dry stonewalls and hedges)” - clarification (10.1)  
**Description of the recommendation**

The team recommends financing the maintenance and construction of new stonewalls and the establishment of hedges under Article 18d from the sub-measure “preservation of landscape features – dry stonewalls and hedges” instead.

**How recommendation has been addressed or justification as to why not taken into account**

Not accepted  
AEM is only for maintenance. Establishment of hedges, etc. is covered in measure 4.4.

### 3.2.145. R_145: M 10 - “Carp fish ponds” - justification

**Category of recommendation:** Construction of the intervention logic  
**Date:** 18/12/2013  
**Topic:** M 10 - “Carp fish ponds” - justification  
**Description of the recommendation**
It is recommended to consider financing carp fish ponds under a separate “Carp fish ponds” measure rather than under aquaculture. Carp fish ponds are regulated in Croatia as agricultural land and should thus be eligible under this measure. Therefore, the team recommends developing this measure further in co-operation with the Directorates of Fisheries and Nature Protection of the MoE.

How recommendation has been addressed or justification as to why not taken into account

Not Accepted
DG Agri confirmed that this type of operation is not eligible under EAFRD.

3.2.146. R_146: M 10 - “Reduced fertilisation” - justification (10.1)
Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: M 10 - “Reduced fertilisation” - justification (10.1)
Description of the recommendation

Regarding the sub-measure “Reduced fertilisation”, the team recommends considering whether this is in fact an issue in Croatia. If so, the team recommends strengthening the justification for this sub-measure.

How recommendation has been addressed or justification as to why not taken into account

Accepted
This has been deleted.

3.2.147. R_147: M 10 - “Integrated plant protection” - force majeure conditions and the ex-ante assessment (10.1)
Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: M 10 - “Integrated plant protection” - force majeure conditions and the ex-ante assessment of the verifiability and controllability (10.1)
Description of the recommendation

Regarding the sub-measure “Integrated plant protection”, the team recommends bringing force majeure conditions and the ex-ante assessment of the verifiability and controllability of measures into line with Articles 47 and 69 of the RD Regulation.

How recommendation has been addressed or justification as to why not taken into account
3.2.148. R_148: M 10 - “Integrated plant protection” - commitments (10.1)

Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: M 10 - “Integrated plant protection” - commitments (10.1)

Description of the recommendation

It is recommended to better specify commitments, particularly those that go beyond Directive 2009/128/EC on the sustainable use of pesticides.

How recommendation has been addressed or justification as to why not taken into account

Accepted

3.2.149. R_149: M11 - difference in support during the conversion period and maintenance period

Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: M11 - difference in support during the conversion period and maintenance period

Description of the recommendation

In relation to the “Organic agricultural production” measure, the team recommends describing the differences in support to the conversion period and maintenance period.

How recommendation has been addressed or justification as to why not taken into account

Accepted
Sub-measure has been divided into two types of operation.

3.2.150. R_150: M11 - force majeure conditions and the ex-ante assessment of the verifiability and controllability

Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: M11 - force majeure conditions and the ex-ante assessment of the verifiability and controllability
Description of the recommendation

The team recommends bringing force majeure conditions and ex-ante assessment of the verifiability and controllability of the measure in line with Articles 47 and 69 of the RD Regulation.

How recommendation has been addressed or justification as to why not taken into account

Accepted

3.2.151. R_151: M11 - complementarity with M 3

Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: M11 - complementarity with M 3
Description of the recommendation

The team recommends checking for possible overlaps between payments under the “Organic agricultural production” measure and those under Article 17.

How recommendation has been addressed or justification as to why not taken into account

Accepted
No overlaps exist.

3.2.152. R_152: M 17 - amount of support (17.1)

Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: M 17 - amount of support (17.1)
Description of the recommendation

Regarding the annual insurance policy under the measure for “Insuring crops, animals and plants”, the team recommends clarifying how the various losses of an individual farmer in a given year will be calculated.

How recommendation has been addressed or justification as to why not taken into account

Accepted
3.2.153. R_153: M 17 - justification

Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: M 17 - justification
Description of the recommendation

The team recommends adjusting the text under the mutual funds measure to the Croatian context.

How recommendation has been addressed or justification as to why not taken into account

Not Accepted
Mutual funds will be included in later stage.

3.2.154. R_154: M 19 - targeting

Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: M 19 - targeting
Description of the recommendation

The team recommends that the majority of funds from the LEADER measure budget target the most fundamental activities of the LAGs, e.g. capacity building and running costs.

How recommendation has been addressed or justification as to why not taken into account

Partly Accepted
Activities such as capacity building and running costs are fundamental activities, but experience from the IPARD programme, allocations by IPARD and EC regulations suggest that the majority of LEADER funding should not exclusively target such activities.

3.2.155. R_155: M 20 - eligibility criteria and eligible investments

Category of recommendation: Programme implementing arrangements
Date: 18/12/2013
Topic: M 20 - eligibility criteria and eligible investments
Description of the recommendation
As regards the TA measure, the team recommends rearranging the list of eligible investments so that, rather than forming a long list, activities are clustered into a number of categories or themes (e.g. promotion activities, training activities, studies etc.).

How recommendation has been addressed or justification as to why not taken into account

Accepted
Based on the Commission Guidance, the section on “Technical assistance” has been rearranged.

3.2.156. R_156: National Rural Network (NRN) - additional information

Category of recommendation: Programme implementing arrangements
Date: 18/12/2013
Topic: National Rural Network (NRN) - additional information
Description of the recommendation

The team recommends including information about 1) the allocation of financial support; 2) implementation capacity; and 3) which arrangements are planned to include the wider public in the NRN sub-chapter “Support to rural policy implementation”.

How recommendation has been addressed or justification as to why not taken into account

Accepted
This is described in chapter 17: National Rural Network (in line with the SFC template).

3.2.157. R_157: National Rural Network (NRN) - structure

Category of recommendation: Programme implementing arrangements
Date: 18/12/2013
Topic: National Rural Network (NRN) - structure
Description of the recommendation

The team recommends describing who the members of the NRN are (farmers, researchers, NGOs, advisors, businesses etc.), and how they are selected.

How recommendation has been addressed or justification as to why not taken into account

Accepted
This is described in chapter 17: National Rural Network (in line with the SFC template).

3.2.158. R_158: National Rural Network (NRN) - responsibilities

Category of recommendation: Programme implementing arrangements
Date: 18/12/2013
Topic: National Rural Network (NRN) - responsibilities
Description of the recommendation

The team recommends expanding on the networking responsibilities of the NRN.

How recommendation has been addressed or justification as to why not taken into account

Partly Accepted
This is described in chapter 17: National Rural Network (in line with the SFC template).

3.2.159. R_159: Innovation - definition

Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: Innovation - definition
Description of the recommendation

The team highly recommends including a definition of innovation and of the national innovation system in the RDP (possibly drawing inspiration from the Innovation Union Scoreboard (IUS).

How recommendation has been addressed or justification as to why not taken into account

Partly accepted
Innovation issue is horizontally addressed throughout the RDP. Innovation through the RDP is specified in Chapter 5 - cross-cutting issues

3.2.160. R_160: Innovation - Croatian context

Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: Innovation - Croatian context
Description of the recommendation
The team recommends adjusting the text in the innovation chapter to a Croatian context.

How recommendation has been addressed or justification as to why not taken into account

Partly accepted
Since the SFC template does not foresee a separate chapter on innovation, this issue is horizontally addressed through the RDP.

3.2.161. R_161: Innovation - to operationalise the concept of innovation

Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: Innovation - to operationalise the concept of innovation

Description of the recommendation

The team recommends adopting a system in which the applicants themselves indicate in the application form on a scale of 1 to 5 (or 10) how he/she assesses the novelty of the new product/process/technology/etc. The novelty can be assessed internally as well as externally: i.e. is the project object a novelty for the applicant and is the project a novelty for the market? This way, it is possible to assess the novelty level of the project. The PA staff can check the self-assessment made by the applicant and correct it if necessary.

How recommendation has been addressed or justification as to why not taken into account

Partly Accepted
Further development of selection criteria will address this issue.

3.2.162. R_162: Innovation - identifying problems and challenges

Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: Innovation - identifying problems and challenges

Description of the recommendation

The team recommends identifying the problems and challenges facing the stimulation of innovation in agriculture and food processing and proposing solutions.
Accepted
This issue is horizontally addressed through the RDP. Specific needs for innovation are assessed across EU priorities for rural development.

3.2.163. R_163: Monitoring and Evaluation - Croatian context
Category of recommendation: Programme implementing arrangements
Date: 18/12/2013
Topic: Monitoring and Evaluation - Croatian context
Description of the recommendation
The team recommends concretising the chapter on M&E, which is not presently related to the Croatian context. This process may include incorporating lessons learnt from SAPARD and IPARD and adding a table that outlines the division of tasks between the Monitoring Committee, Managing Authority and Paying Agency on M&E activities.

How recommendation has been addressed or justification as to why not taken into account
Accepted
The Evaluation plan has been revised and this recommendation incorporated under sub-chapter 9.2: Governance and coordination (in line with the SFC template).

3.2.164. R_164: Monitoring and Evaluation - Monitoring Committee
Category of recommendation: Programme implementing arrangements
Date: 18/12/2013
Topic: Monitoring and Evaluation - Monitoring Committee
Description of the recommendation
The team recommends incorporating a list of representatives into the section on the Monitoring Committee, including a description of their roles and voting rights.

How recommendation has been addressed or justification as to why not taken into account
Accepted
This has been incorporated under chapter 15.2: The envisaged composition of the Monitoring Committee (in line with the SFC template).
3.2.165. R_165: Monitoring and Evaluation - reporting and data collection

Category of recommendation: Programme implementing arrangements
Date: 18/12/2013
Topic: Monitoring and Evaluation - reporting and data collection

Description of the recommendation

The team recommends specifying in the “reporting” section exactly how the information will be collected in order for the Managing Authority to prepare and submit the monitoring information and annual report to the EC and Monitoring Committee.

How recommendation has been addressed or justification as to why not taken into account

Accepted
This recommendation has been incorporated into sub-chapter 9.4. Data and information (in line with the SFC template).

3.2.166. R_166: Monitoring and Evaluation - lessons learnt

Category of recommendation: Programme implementing arrangements
Date: 18/12/2013
Topic: Monitoring and Evaluation - lessons learnt

Description of the recommendation

The team recommends integrating lessons learnt from SAPARD and IPARD into all sub-sections of the Evaluation Plan in order to avoid repeating past administrative bottlenecks.

How recommendation has been addressed or justification as to why not taken into account

Accepted
This has been incorporated under Evaluation plan.

3.2.167. R_167: Monitoring and Evaluation - the objectives and purpose of the Evaluation Plan

Category of recommendation: Programme implementing arrangements
Date: 18/12/2013
Topic: Monitoring and Evaluation - the objectives and purpose of the Evaluation Plan

Description of the recommendation

The team recommends expanding the “Objectives and purpose of the EP” section, possibly drawing
inspiration from the purpose of the EP as described in the EP guidelines.

How recommendation has been addressed or justification as to why not taken into account

Accepted
This has been incorporated under EP, sub-chapter 9.1: Objectives and purpose (in line with the SFC template).


Category of recommendation: Programme implementing arrangements
Date: 18/12/2013
Topic: Monitoring and Evaluation - responsibilities of the “Evaluation Work Group”
Description of the recommendation

The team recommends that a description of the members and primary responsibilities of the “Evaluation Work Group” be included in the “Management and co-ordination” section.

How recommendation has been addressed or justification as to why not taken into account

Accepted
This has been incorporated under EP, sub-chapter 9.2: Governance and coordination (in line with the SFC template).

3.2.169. R_169: Monitoring and Evaluation - contribution of various actors

Category of recommendation: Programme implementing arrangements
Date: 18/12/2013
Topic: Monitoring and Evaluation - contribution of various actors
Description of the recommendation

The team recommends concretising the section on management and co-ordination by including information on how the various actors (MoA, PA, beneficiaries, LAGs, NRN, and Monitoring Committee etc.) will each contribute to the M&E system, which tasks should remain an internal responsibility, and which should be outsourced and to whom.

How recommendation has been addressed or justification as to why not taken into account

Accepted
This has been incorporated under EP, sub-chapter 9.2: Governance and coordination (in line with the SFC template).

3.2.170. R_170: Monitoring and Evaluation - evaluation themes and activities
Category of recommendation: Programme implementing arrangements
Date: 18/12/2013
Topic: Monitoring and Evaluation - evaluation themes and activities
Description of the recommendation
The team recommends describing the actual evaluation themes and activities in the corresponding chapter (which should reflect the intervention logic and budgetary allocations of the RDP).

How recommendation has been addressed or justification as to why not taken into account
Accepted
This has been incorporated under EP, sub-chapters 9.3: Evaluation topics and activities, 9.5: Timeline and 9.7: Resources (in line with the SFC template).

3.2.171. R_171: Monitoring and Evaluation - ex post evaluation of the previous period and the ex ante evaluation of the period 2021-2027
Category of recommendation: Programme implementing arrangements
Date: 18/12/2013
Topic: Monitoring and Evaluation - ex post evaluation of the previous period and the ex ante evaluation of the period 2021-2027
Description of the recommendation
It should be noted that two activities to be included in the EP are the ex-post evaluation of the previous period and the ex-ante evaluation of the subsequent period (2021-2027), seeing as these activities will require human and financial resources within the timeframe of the 2014-2020 period.

How recommendation has been addressed or justification as to why not taken into account
Accepted
This has been incorporated under EP, sub-chapters 9.3: Evaluation topics and activities, 9.5: Timeline and 9.7: Resources (in line with the SFC template).
3.2.172. R_172: Monitoring and Evaluation - data link in the IT system

Category of recommendation: Programme implementing arrangements
Date: 18/12/2013
Topic: Monitoring and Evaluation - data link in the IT system
Description of the recommendation

In the data and information section, the team recommends explaining the exact data link between the application forms in the IT system, the objectives of the individual measures, the M&E activities and the selected indicators in order to ensure that the necessary questions have been incorporated into the electronic application forms, the payment claim, and reporting requirements (or alternatively if additional surveys or external data collection are required).

How recommendation has been addressed or justification as to why not taken into account

Accepted
This recommendation has been incorporated under EP, sub-chapter 9.4: Data and information (in line with the SFC template).

3.2.173. R_173: Monitoring and Evaluation - bottlenecks in data collection

Category of recommendation: Programme implementing arrangements
Date: 18/12/2013
Topic: Monitoring and Evaluation - bottlenecks in data collection
Description of the recommendation

The team recommends describing past and future possible bottlenecks to data collection and clarifying which steps are taken to avoid them.

How recommendation has been addressed or justification as to why not taken into account

Accepted
This has been incorporated under EP, sub-chapter 9.4: Data and information (in line with the SFC template).

3.2.174. R_174: Monitoring and Evaluation - submission of the data

Category of recommendation: Programme implementing arrangements
Date: 18/12/2013
Topic: Monitoring and Evaluation - submission of the data
## Description of the recommendation

The team recommends defining in advance how frequently the PA should submit data to the MA (presently this is defined only as “frequently”) and bi-monthly submission could be recommended.

## How recommendation has been addressed or justification as to why not taken into account

**Accepted**

This has been incorporated under EP, sub-chapter 9.4. Data and information (in line with the SFC template).

### 3.2.175. R_175: Monitoring and Evaluation - impact indicators

**Category of recommendation:** Programme implementing arrangements  
**Date:** 18/12/2013  
**Topic:** Monitoring and Evaluation - impact indicators

**Description of the recommendation**

In the “Analysis of additional monitoring” section, 13 impact indicators are listed as the focus of the M&E. The team recommends narrowing down the focus and providing a brief justification for the downgrading of certain impact indicators. Furthermore, this information really belongs in the sub-section “evaluation themes and topics”, and the team recommends moving the data to this section.

**How recommendation has been addressed or justification as to why not taken into account**

**Accepted**

This has been incorporated under EP, sub-chapters 9.3: Evaluation topics and activities (in line with the SFC template).

### 3.2.176. R_176: Monitoring and Evaluation - additional result indicators

**Category of recommendation:** Programme implementing arrangements  
**Date:** 18/12/2013  
**Topic:** Monitoring and Evaluation - additional result indicators

**Description of the recommendation**

In the “Additional result indicators” section, only five result indicators are listed as intended for monitoring of which four are related to priority 5. The team recommends adjusting the selection of result indicators to correspond with the overall strategic and financial priorities of the draft RDP.
How recommendation has been addressed or justification as to why not taken into account

Accepted
This has been incorporated under sub-chapter 9.3: Evaluation topics and activities (in line with the SFC template).

3.2.177. R_177: Finances - 30% of the total public budget to P 4 and P 5

Category of recommendation: Establishment of targets, distribution of financial allocations
Date: 18/12/2013
Topic: Finances - 30% of the total public budget to P 4 and P 5
Description of the recommendation

The team recommends adjusting the financial allocations so that the total contribution to priorities 4 and 5 equals 30% as required by the draft RD regulation.

How recommendation has been addressed or justification as to why not taken into account

Accepted
This is visible from the chapter 10. Financial Plan (in line with the SFC template).

3.2.178. R_178: Finances - budget by sub-measures

Category of recommendation: Establishment of targets, distribution of financial allocations
Date: 18/12/2013
Topic: Finances - budget by sub-measures
Description of the recommendation

The team recommends that the budgets for the measures be disaggregated by sub-measure and operation in order, among others, to illustrate how measures that do not come under priorities 4 and 5 may nevertheless contribute to these priorities.

How recommendation has been addressed or justification as to why not taken into account

Accepted
This is visible from the chapter 10. Financial Plan and partly from the chapter 11. Indicator Plan (in line with the SFC template).
3.2.179. R_179: M 4 - justification for high allocation of funds

Category of recommendation: Construction of the intervention logic
Date: 18/12/2013
Topic: M 4 - justification for high allocation of funds

Description of the recommendation

The team recommends improving the justification for the high allocation of funds to article 18 and accentuating the link from the ACS -> SWOT -> Needs assessment -> measure selection -> budgets.

How recommendation has been addressed or justification as to why not taken into account

Accepted
This issue is horizontally addressed through the RDP.

3.2.180. R_180: Indicator Plan

Category of recommendation: Establishment of targets, distribution of financial allocations
Date: 18/12/2013
Topic: Indicator Plan

Description of the recommendation

For the completion of the Indicator Plan, the team recommends using each measure as the point of departure. It is recommended to identify the indicators connected to each specific measure in order to reveal which figures should be calculated in order to complete the Indicator Plan (see Annex 8 for a concrete example based on article 18.1).

How recommendation has been addressed or justification as to why not taken into account

Accepted
Finalisation of the IP was done when all measures were finalised and resources were allocated to each measure and type of operation. Selected measures are broken down into focus areas with planned outputs and planned expenditure. The IP is completely prepared in line with DG Agri instructions (Indicator Plan - excel tool).

3.2.181. R_181: Programme implementation - operational structure

Category of recommendation: Programme implementing arrangements
Date: 18/12/2013
Topic: Programme implementation - operational structure
Description of the recommendation

The team recommends moving the previous section on the Monitoring Committee to this chapter as the MC is also part of the operating structure. Otherwise, the team recommends referring to the section on the Monitoring Committee in chapter 13.

How recommendation has been addressed or justification as to why not taken into account

Accepted

Included in chapter 15: Programme implementing arrangements (in line with the SFC template).

3.2.182. R_182: Programme implementation - budgetary allocations for administration in the MoA and PA

Category of recommendation: Programme implementing arrangements

Date: 18/12/2013

Topic: Programme implementation - budgetary allocations for administration in the MoA and PA

Description of the recommendation

The team recommends considering the budgetary allocations for administration in the MoA and PA in order to improve the implementation of the RDP 2014-2020.

How recommendation has been addressed or justification as to why not taken into account

Accepted

Some amount of budgetary allocations for administration in the MoA and PA in order to improve the implementation of the RDP 2014-2020 are already foreseen under chapter 15.6: Description of the use of technical assistance (in line with the SFC template).

3.2.183. R_183: Programme implementation - strategy for successful implementation

Category of recommendation: Programme implementing arrangements

Date: 18/12/2013

Topic: Programme implementation - strategy for successful implementation

Description of the recommendation

The team recommends laying down a strategy for successful implementation in relation to administrative capacity. There are substantial lessons to be learnt from the implementation of IPARD, which the MoA is advised to include in the planning of administration.
How recommendation has been addressed or justification as to why not taken into account

Accepted
Incorporated into chapter 15.1: Programme implementing arrangements; sub-chapter 15.1.2.1. Overall description, including arrangements to ensure effective, efficient and coordinated implementation (in line with the SFC template).

3.2.184. R_184: Programme implementation - a workload and workflow analysis

Category of recommendation: Programme implementing arrangements
Date: 18/12/2013
Topic: Programme implementation - a workload and workflow analysis

Description of the recommendation

The team recommends preparing a workload and workflow analysis, not just for the PA as is currently being drafted, but for the entire MoA in order to assess the number of staff needed over the coming years.

How recommendation has been addressed or justification as to why not taken into account

Partly accepted
This will not form part of the programme as such, but will be done for the Managing Authority in later stage and findings will be accordingly addressed.

3.2.185. R_185: Programme implementation - training and capacity building of MoA and PA

Category of recommendation: Programme implementing arrangements
Date: 18/12/2013
Topic: Programme implementation - training and capacity building of MoA and PA

Description of the recommendation

The team recommends preparing solid training and capacity building of MoA and PA staff (new and present).

How recommendation has been addressed or justification as to why not taken into account

Accepted
These have been taken into account in Technical Assistance actions as described under chapter 15.6: Description of the use of technical assistance (in line with the SFC template) and in the Evaluation Plan.
3.2.186. R_186: Partnership - inclusion of stakeholders from civil society

Category of recommendation: Other

Date: 18/12/2013

Topic: Partnership - inclusion of stakeholders from civil society

Description of the recommendation

The team recommends the inclusion of a number of stakeholders from group 3 (civil society) including environmental partners, non-governmental organisations, and bodies responsible for promoting equality and non-discrimination, in the stakeholder consultation process. Specifically (but not exclusively) environmental NGOs, human rights associations, a women’s rights association, and other non-discrimination entities.

How recommendation has been addressed or justification as to why not taken into account

Accepted
The list of the representatives of the Rural Development Council have been reviewed and accordingly extended. Most of the members from Rural Development Council will also be the members of the MC. The complete list is presented in Chapter 15.2.

3.2.187. R_187: Partnership - inclusion of stakeholders from economic and social groups

Category of recommendation: Other

Date: 18/12/2013

Topic: Partnership - inclusion of stakeholders from economic and social groups

Description of the recommendation

The team recommends the inclusion of additional stakeholders from the group “economic and social partners”, specifically (but not exclusively) a farmers’ association and an organic farmers’ association, in the stakeholder consultation process.

How recommendation has been addressed or justification as to why not taken into account

Accepted
The list of the representatives of the Rural Development Council have been reviewed and accordingly extended. Most of the members from Rural Development Council will also be the members of the MC. The complete list is presented in Chapter 15.2.

3.2.188. R_188: Partnership and Consultation - formation of the Focus Groups according to priorities

Category of recommendation: Other
### 3.2.189. R_189: Partnership and Consultation - public presentations

**Category of recommendation:** Other  
**Date:** 18/12/2013  
**Topic:** Partnership and Consultation - public presentations

**Description of the recommendation**

The team recommends organising new, more target-orientated public presentations following finalisation of the measure descriptions and budget allocations (and additional hearings where necessary).

**How recommendation has been addressed or justification as to why not taken into account**

**Accepted**

More target-oriented public presentations will be organized after finalisation of the measures - in phase of drafting implementing ordinance. Some target-oriented public presentations are already been implemented throughout all rural territory, for example, for M 19 and their beneficiaries - LAGs.

### 3.2.190. R_190: Partnership and Consultation - an extension of consultation activities

**Category of recommendation:** Other  
**Date:** 18/12/2013  
**Topic:** Partnership and Consultation - an extension of consultation activities

**Description of the recommendation**

The team recommends an extension of consultation activities in terms of the frequency of meetings and
the possibilities for comment, e.g. internet forums, web blogs etc.

How recommendation has been addressed or justification as to why not taken into account

Accepted
On the MoA webpage a draft of the foreseen measures have been published and an e-mail address (eafrd@mps.hr) activated for consultation activities.

3.2.191. R_191: Partnership and Consultation - utilising potential of the RDC

Category of recommendation: Other
Date: 18/12/2013
Topic: Partnership and Consultation - utilising potential of the RDC
Description of the recommendation

The team recommends an increased degree of collaboration at the Rural Development Council including a minimum one-week time span for the release of discussed documents.

How recommendation has been addressed or justification as to why not taken into account

Accepted

3.2.192. R_192: Partnership and Consultation - municipalities

Category of recommendation: Other
Date: 18/12/2013
Topic: Partnership and Consultation - municipalities
Description of the recommendation

The team recommends improving overall communication with the municipalities where possible.

How recommendation has been addressed or justification as to why not taken into account

Accepted
3.2.193. R_193: Partnership and Consultation - technical requirements

Category of recommendation: Programme implementing arrangements
Date: 18/12/2013
Topic: Partnership and Consultation - technical requirements

Description of the recommendation

The team recommends adjusting the information in the “Partnership and Consultation Results” chapter in compliance with technical requirements, including in particular the results of consultations and possible reasons for the rejection of stakeholder inputs.

How recommendation has been addressed or justification as to why not taken into account

Accepted
Actions taken to involve partners are detailed described in chapter 16 (in line with the SFC template).

3.2.194. R_194: Gender equality and the prevention of discrimination - separate chapter

Category of recommendation: Other
Date: 18/12/2013
Topic: Gender equality and the prevention of discrimination - separate chapter

Description of the recommendation

In relation to gender equality and the prevention of discrimination, the team recommends that section 4.6 of the draft RDP be integrated into this chapter, which will require that the recommendations provided for that section be incorporated into this one.

How recommendation has been addressed or justification as to why not taken into account

Partly accepted
Since the SFC template does not foresee a separate chapter on gender equality and prevention of discrimination, this issue is horizontally addressed through the RDP.

3.2.195. R_195: Gender equality and the prevention of discrimination - IPARD

Category of recommendation: Other
Date: 18/12/2013
Topic: Gender equality and the prevention of discrimination - IPARD

Description of the recommendation
The team recommends outlining how and to what extent the implementation of the IPARD programme has taken gender and non-discrimination into account.

How recommendation has been addressed or justification as to why not taken into account

Partly Accepted
Since the SFC template does not foresee a chapter on the effects of pre-accession rural development programmes (IPARD), links to available information (IPARD evaluation reports) are incorporated into the chapter on the Evaluation Plan.

3.2.196. R_196: Gender equality and the prevention of discrimination - SWOT

Category of recommendation: The SWOT analysis, needs assessment
Date: 18/12/2013
Topic: Gender equality and the prevention of discrimination - SWOT

Description of the recommendation

The team recommends emphasising the gender perspective and non-discrimination in the SWOT analysis and needs assessment.

How recommendation has been addressed or justification as to why not taken into account

Accepted
This issue is horizontally addressed through the RDP.

3.2.197. R_197: Gender equality and the prevention of discrimination - arrangements

Category of recommendation: Other
Date: 18/12/2013
Topic: Gender equality and the prevention of discrimination - arrangements

Description of the recommendation

The team recommends explaining how the new rural development programme 2014-2020 will ensure equal opportunities and rights for men and women.

How recommendation has been addressed or justification as to why not taken into account

Partly accepted
Since the SFC template does not foresee a separate chapter on gender equality and prevention of
discrimination, this issue is horizontally addressed through the RDP.

3.2.198. SEA_1: Assessment of the effects of certain plans and programmes on the environment

Category of recommendation: SEA specific recommendations
Date: 15/07/2014
Topic: Assessment of the effects of certain plans and programmes on the environment
Description of the recommendation

The potential negative effects of all projects, operations and lower-level planning documents must be defined in detail during the implementation of rural development measures and appropriate measures proposed to protect the environment and nature. This should be done in accordance with the relevant regulations in force in Croatia and with appropriate spatial planning documents. In the case of operations that are subject to the requirements of the Regulation on strategic environmental impact assessment of plans and programmes (Official Gazette 61/14) an EIA will be required.

How recommendation has been addressed or justification as to why not taken into account

Accepted
All projects that are subject to the requirements of the SEA regulation will need to perform environmental impact assessment which is already incorporated in Croatian law and stated in chapter 8.1.

3.2.199. SEA_2: Ecological network

Category of recommendation: SEA specific recommendations
Date: 15/07/2014
Topic: Ecological network
Description of the recommendation

All operations taking place within the ecological network should be evaluated in terms of their compliance with the objective of ensuring the conservation and integrity of the ecological network on the basis of the Nature Protection Act (OG 80/13) and appropriate bylaws.

How recommendation has been addressed or justification as to why not taken into account

Accepted
All operations within the ecological network will be evaluated for their compliance with provisions for ecological network which is already incorporated in Croatian law and stated in chapter 8.1
3.2.200. SEA_3: Monitoring - AE

Category of recommendation: SEA specific recommendations
Date: 15/07/2014
Topic: Monitoring - AE

Description of the recommendation

The effect of rural development measures on nature and the environment should be measured using recommended monitoring procedures and appropriate indicators. In the case of components of which there is no systematic monitoring (e.g. permanent soil monitoring, birds in agricultural habitats, the conservation status of agricultural habitats, areas of high agricultural value, balance of surface nutrients, etc.) it will be necessary to establish a monitoring system.

How recommendation has been addressed or justification as to why not taken into account

Accepted
Special emphasis during implementation period will be given to the AE monitoring system which is already foreseen in activities of Evaluation Plan (chapter 9).

3.3. Ex-ante Evaluation report

See Annexed Documents
4. SWOT AND IDENTIFICATION OF NEEDS

4.1. SWOT

4.1.1. Comprehensive overall description of the current situation of the programming area, based on common and programme-specific context indicators and other qualitative up-to-date information

Socio-economic situation

Territory

According to the model for the differentiation of Croatian rural areas for the purposes of monitoring the impact of rural development measures (Annex 1), 99.24% of the territory is defined as rural and intermediate, and only 0.76% as cities situated in urban clusters (PSI-1)[1].

Population

According to the 2011 census, Croatia has 4,284,889 inhabitants, 24.92% of whom live in cities situated in urban clusters and 75.08% live in rural and intermediate areas (CI-1).

Croatia has a low average population density of 78 inhabitants/km² (CBS, 2011). However, population density varies greatly between counties ranging from the lowest density in Lika-Senj County (10 inhabitants/km²) and the highest density (1,232 inhabitants/km²) in the City of Zagreb (CI-4).

During the Homeland War (1991-1995) the population and the economy of rural areas suffered immeasurable damage and are still directly affected by the consequences today. These events dramatically changed the population density and have caused long-term negative demographic effects in those areas directly affected by the war. Repercussions of the economic crises have also affected the population density of the rural areas of Croatia and pose a serious threat to their further development and survival. Between 1990 and 2011, according to Eurostat estimates, the population of Croatia decreased by 7.9 % and in 2012 the birth rate was negative amounting to -2.3 per thousand. The average age is 41.7 (43.3 for women and 39.9 for men). By age group, in rural areas 15% of inhabitants are under 15, 67.4% are aged 15-64, and 17.6% are over 65 (CI-2).

Migration

In 2011, a total of 71,403 persons changed their residence within Croatia. The migration balance of inter-county relocation into the City of Zagreb was analysed to assess the migration from rural to urban areas, and an increase from 3.56% in 2007 to 7.34% in 2011 can be noted, confirming the trend of abandonment of the rural areas. The largest share of population relocating to the urban areas was aged 20-39.

Education

The education level in rural areas is, on average, much lower than in urban areas. In rural areas, the share of persons over 15 who have completed only primary education is twice as high as in urban areas, illustrating significant regional differences. In the majority of counties, the percentage of those living in rural areas (over 15) who have completed only primary school ranges between 20-35%.
**Employment**

The 2012 employment rate shows the share of employed, working-age population (Annex IV - Table 1). In 2012, the employment rate for persons aged 15-64 in Croatia was 50.7%, the lowest of all EU Member States and 13.5% lower than the EU-27[2] average. The employment rate for persons aged 20-64 rose to 62.9% by 2008, but due to the financial, economic and debt crisis, it decreased annually between 2009 and 2012 (Annex IV - Table 2).

One of the Europe 2020 objectives is that 75% of persons aged 20-64 are employed by 2020, but for Croatia it is 59%. The average employment rate in 2012 was 50.7%, slightly higher for men than for women (CI-5). The 2012 self-employment rate (ages 15-64) was 16.4% (CI-6).

According to Eurostat estimates, the working-age population in 2012 was 2,837,000, of which 1,778 million active population, and 1,446 million people employed. Eurostat data indicate that, in 2009, a substantial 64% of all employed persons were employed in the tertiary sector and only 4.7% in the primary sector (CI-11).

According to the results of the Labour Force Survey[3] on the structure of employment in 2012, a total of 179,900 persons (12.4%) were employed in agriculture, 1% in forestry, 3.4% in the food production and food processing industry, and 5.7% in tourism (CI-13).

The rate of surveyed unemployment in Croatia rose from 8.4% in 2008 to 15.8% in 2012, when the unemployment numbers averaged 324,324 persons. Over 40% of the unemployed were aged between 15 and 24. (CI-7). The long-term unemployment rate in Croatia was 10.3%, which is twice as high as the EU-27 average of 4.6%.

The basic infrastructure in rural areas

**Utilities**

The public sewerage system in 2007 covered 43.6% of the population, with considerable differences among counties or local self-government units. Only 28% of the total population was covered by wastewater treatment services (43.6% of the population was covered by wastewater collection, out of which 61% had systems including waste water treatment), far below EU 27 standards (60%-70%). In Continental Croatia, the number of inhabitants without access to the public sewer system is higher in settlements up to 2,000 inhabitants, mainly in Osijek-Baranja county, followed by Varaždin, Bjelovar-Bilogora, Brod-Posavina and Virovitica-Podravina counties.

The public water supply coverage at national level is on average about 80%, below the EU 27 average (90%).

**Transport infrastructure**

In Croatia 26,963.90 km of roads are classified in the public road system: 1413.10 km highways, 6867.70 km national roads, 9,703.40 km county roads and 8979.70 km local (unclassified) roads. The average density of roads in Croatia is 474 m/km², ranging from 379 m/km² in Lika-Senj and 404 m/km² in Požega-Slavonija to 876 m/km² in Međimurje county.

The average density of unclassified roads in Croatia is 1.171 m/km², unequally distributed at county level, the lowest in Brod-Posavina (363 m/km²) and Virovitica-Podravina (385 m/km²), while the highest in
Primorje-Gorski Kotar (1.047 m²/km²), Međimurska (2.015 m²/km²) and Krapina-Zagorje (2.204 m²/km²).

The average length of unclassified roads in Croatia is 25 m/capita, while the shortest roads are in Brod-Posavina and Vukovar-Srijem (7 m/capita). In Dubrovnik-Neretva, the average length is 35 m/capita, and in Lika-Senj 70 m/capita, given the small population scattered over a large area. As well as differences in the density and length of unclassified roads per capita in the counties, there are significant differences in their conditions.

**Social Infrastructure**

Due to depopulation, the impact of the war and the long-term economic crisis, there has been negligence in the maintenance of infrastructure (public green areas, hiking and bike trails, open sewers, markets, parking lots), social and cultural facilities (community centers, fire houses, kindergartens and playgrounds and sports and leisure facilities), resulting in a poor availability of basic services for the local rural population. For example, an average 38.42% of children under 7 are included in the preschool education system (CBS data school year 2012/2013). This is even lower in some counties, due to the significant lack of kindergartens in rural areas (Annex IV - Table 3). Moreover, the existing social infrastructure is generally in poor condition and underutilized.

**ICT infrastructure**

According to the Broadband Coverage in Europe study, Croatia is slightly behind the EU average in total standard and total standard fixed broadband coverage (97.5% in Croatia vs. 99.4% in the EU-27 and 94.1% in Croatia vs. 95.5% in the EU-27 respectively), but significantly behind the EU average in total NGA coverage (19.1% in Croatia vs. 53.1% in EU-27). The Croatian National Broadband Strategy, in accordance with the Digital Agenda for Europe (DAE), has established 50% NGA as its Europe 2020 target. The number and density of broadband connections is unevenly distributed across Croatia. Zagreb has the highest standard fixed broadband and NGA coverage. Beyond this, Međimurje Primorje-Gorski kotar, Zadar, Split-Dalmatia, Osijek-Baranja and Vukovar-Srijem Counties have the highest standard fixed broadband coverage. No region had NGA coverage over 35%. Less than 0.01% of households had access to NGA services in rural areas at the end of 2012. 2.2% of population have no broadband access, in 1,025 settlements mostly in war-affected areas, mountain areas and islands (i.e. white spots). Grey spots cover 43.1% of total population, mostly in rural and suburban settlements below 2.000 inhabitants.

**Strategic Planning at the local level**

Strategic and planning documents at the local level have been prepared by a large number of local self-government units for the period until 2013. These should be updated and revised periodically, and be in line with higher level strategic and planning documents, such as the national Strategy on Regional Development and County Development Strategies. The financial and administrative capacities of the local self-government units vary greatly and they have very little experience in implementing EU funded projects.

**Local Action Groups**

The implementation of the LEADER approach in Croatia started within IPARD and the selected 42 LAGs cover about 69% of the national territory and 34% of all citizens of Croatia. Within IPARD, LAGs co-financed running and animation costs but there was no approved funding for the implementation of LDS projects. The process of creating community-led policy in rural development processes is still insufficiently developed, and the level of capacities of human potential at the local level is very low.
**Rural Tourism**

The history of rural tourism in Croatia is short. It began in 1998 with the registration of the first holders/owners of "tourist family farms", 32 initially, and is currently still at a low level with only 447 registered tourist family farms which are unevenly distributed among the counties. Rural tourism in Croatia is significantly underdeveloped, a consequence of a long-lasting neglect of rural areas and family farms and the Croatian orientation towards seaside tourism. The gastronomy and enology of family farms as a tourism product is still underdeveloped and underexploited. Green Tourism is one of the 10 key directions for the adopted National Tourism Strategy until 2020.

**Economic situation**

Croatia is experiencing a slowdown of economic activities and negative change rates of GDP. In 2012, the total value of GDP was EUR 44 billion (market prices - current), a drop of 1.9% compared to the previous year. The average GDP per capita in 2012 was EUR 10,294. Based on purchasing power parity, in 2012, GDP was 61% of the EU-27 average, and the difference was even greater in rural areas where GDP was approximately 46%

The drop in the GDP was caused by reduced household and state spending and a downturn of gross investments in fixed capital. In comparison to 2011, household spending in 2012 dropped by 3%, state spending was lower by 0.8%, and gross investment in fixed capital plummeted by 4.7%.

The total gross value added (GVA) was EUR 37.3 billion in 2012, wherein the primary sector share was 5% and tertiary sector share was 69%. According to Eurostat data, 33% of the 2010 GVA was realised in urban areas.

The share of primary sector GVA amounted to approximately 7% of the total GVA of Croatia; the share of primary sector GVA was higher in rural areas amounting to approximately 10% of the total GVA of rural areas. Furthermore, according to CBS data, there was a drop in agricultural activity’s share in the total GVA amounting to 3.16% in 2012.

Average labour productivity (measured as a ratio of GVA and the number of employed persons) for 2012 in Croatia was 26,079 EUR/person. According to Eurostat data, the average labour productivity in the EU-27 amounted to 51,719 EUR/person, nearly double the labour productivity in Croatia. Average labour productivity was even lower in rural areas, amounting to 24,399 EUR/person. Productivity in the primary sector (agriculture, forestry and fisheries) was somewhat higher than average, amounting to 26,497 EUR/person.

The rates for the risk of poverty and social exclusion in 2012 were: 20.5% of the Croatian population was at risk of poverty, 32.3% at risk of social exclusion, 15.4% faced with severe material hardship and 16.1% lived in households with very low labour intensity. The degree of exposure to poverty was even higher in rural areas, amounting to 38.1%.

**Foreign trade balance**

Croatia has continuously recorded a deficit in its trade balance and the economic crisis has further influenced the continuation of this negative trend. According to CBS data, total exports of goods from Croatia in 2012 totalled 9.6 billion euros, while imports totalled 16.2 billion euros, representing at national level a foreign trade deficit of 6.6 billion euros. Thus the export-import ratio was only 59.4%
In 2012, a total of USD 2,567.3 million of agri-food products were imported and USD 1,621.5 million exported, with a deficit of USD 945.8 million. The foreign trade balance of agri-food products accounted for 11.2% of the aggregate commodity exchange balance of Croatia in 2012. The coverage of imports by exports of agri-food products in 2012 amounted to 63.2%. In 2012 the most significant markets for the commodity exchange of agri-food products were EU Member States (accounting for 58% of the total commodity exchange of agri-food products) and CEFTA parties (accounting for 24% of the total commodity exchange of agri-food products). The commodity exchange with CEFTA parties produced a positive balance of USD 420.3 million and the exchange with EU Member States produced a deficit of USD 1,045.2 million (Figure 2).

**Situation analysis in agriculture, forestry, and food processing industry**

**Structure of agricultural holdings and socio-economic indicators**

In the structure of agricultural holdings (AHs), 233,280 AHs (C-17) are engaged in agricultural activities in Croatia utilising 1,316,010 ha of agricultural land (CI-18), i.e. an average AH in Croatia utilises 5.6 ha of agricultural land (C-17).

According to CBS data, in 2012 the prevalent categories of utilised land were arable land and gardens with 903,508 ha (67.9%), followed by permanent grasslands[4] with 345,561 ha (26.0%), and permanent crops with 78,183 ha (5.9%) (CI-18).

The arable land owned by most family farms is very fragmented and plots are often very distant from one another, one reason underlying the inefficiency of agricultural production; in 2011 the production of an average AH was conducted on 15 cadastral plots, on average.

**Structure of agricultural holdings**

Agricultural holdings in the size category under 2 ha dominate (52.6%) the size structure of agricultural holdings (CI-17). Despite the notable trend of the rising number of holdings in the categories from 20 to 100 ha (36.24% increase) and from 100 to 750 ha (62.5%) in the period 2007-2011 (Figure 3), these are still under-represented; in other words, AHs under 20 ha still dominate the size structure of agricultural holdings. Average agricultural holding sizes and structure in Croatia point to the question of their economic viability.

In terms of organizational structure, in 2011 most holdings functioned as family agricultural holdings (FAHs), as many as 162,833 (97.4%). With regard to other organisational structures, 2,404 crafts (1.4%), 1,522 companies (0.9%), 307 cooperatives (0.2%), and 150 AHs with a status of other legal entity (0.1% of holdings) were registered; there were no registered producer groups and organisations. The first producer group in Croatia was registered in March 2014 for milk producers.

All the presented data clearly indicate a low level of organization of AHs, primarily FAHs, due to the negative historical connotations of former cooperatives and the lack of their inclusion into higher-level organizational forms and other types of cooperation, as well as the high presence of intermediary sales directly affecting their level of competitiveness and poor positioning on the market.

The data on structure, average holding size, and standard output (SO) of a holding indicate a low level of investment potential, and therefore a low level of technical and technological equipment. In order to improve competitiveness and economic viability of agricultural holdings, further technical and technological modernisation of agricultural holdings, and an increase of labour force productivity as well as education
level are essential.

Socio-economic indicators

The economic importance of agriculture in Croatia is relatively high, and represents a family business. In 2012, 93.2% of the agricultural labour force (measured in annual units of labour) were farmers and/or members of their families, markedly higher than the EU-27 average (76.6%). Furthermore, according to the farm structure survey carried out in 2010[5], a total of 513,680 people worked regularly in the agricultural industry. Many were family members helping out on the farm, but with their main employment elsewhere. Taking into account the actual work performed on farms, it is estimated that some 179,290 people work fulltime as regular agricultural labour force.

Of the total number of holders of AHs, 9,600 holders are under 35 (4.1%), 86,440 are between 35 and 55 (37.1%), and 137,240 are over 55 (58.8%). For every 100 holders older than 54, there are 7 under 35 (CI-23).

The share of women in the structure of permanently employed agricultural workers in Croatia is 40.2%, higher than the corresponding EU-27 average (37.5%). However, the share of female holders of AHs was lower in Croatia than in the EU-27 (20.9% compared to 23.2%) (CI-22).

The indicator of the degree of agricultural education at management level shows that 95% of farm holders have no agricultural education but only practical experience (CI-24), compared to the EU-27 average of 29.59% (Figure 4). Alongside the existing formal educational system, there is a lack of non-formal education and vocational training programmes.

Economic indicators

Despite the recent declining trend, the agricultural sector accounts for 5.5% of GDP and 13.8% of the total workforce. A high proportion of the population are involved in agriculture and allied activities. However, Croatia is a big importer of food.

The value of agricultural production of Croatia in 2012 was HRK 20.91 billion, a 1.76 % decline from the previous year. GVA in 2012 amounts to HRK 8.819 billion, a 8.6 % decline from 2011.

In 2012, the value of crop production amounted to 59.6% of the total value of agricultural production and the value of livestock production amounted to 34.2%. Analysed by production sector, the share of crop production in the total value of agricultural production has grown, while the share of livestock production and the total value of agricultural production are continuously declining.

Productivity

The productivity of Croatian agriculture measured as a ratio of GVA and labour input, as an average for the 2010-2012 period, was 6,368.2 EUR/AWU[6] which is 58.2 % less than the productivity of EU agriculture (15,223.6 EUR/AWU) (CI-14). In comparison to new EU Member States (EU-12), the productivity of Croatian agriculture is greater, but the trend of productivity growth is substantially stronger in the EU-12 states (Annex IV - Table 5).

Employment and wages

The total work performed on an AH (by holders and family members, as well as by the paid and unpaid, full-
time and part-time labour force) in 2010, was 179,290 AWU (CI-22). The value of the factor income in 2012 was 3,509.2 EUR/AWU (CI-25), while the value of the entrepreneurial income (the indicator that best shows the living standard of farmers) was 2,957.5 EUR/AWU (CI-26).

**Investments - technical and technological modernisation**

Investments in fixed capital in the agricultural sector in Croatia are low (Annex 2 - Table 12). Gross investments in fixed capital assets in 2012 were EUR 229.7 million, 19.6% of the total GVA in agriculture.

**Crop production**

By method of agricultural land usage in Croatia in 2012, arable land and gardens were the most prevalent with 904,000 ha, or 67.9% of utilised agricultural land, while orchards amounted to only 2.3%, vineyards 2.2%, and olive groves 1.4% of utilised agricultural land.

The productivity of crop production is relatively low and the average yields of basic crops are lower than the EU-27 due to outdated technologies and frequent droughts. One of the key problems in crop production is insufficient irrigation, which, in addition to increasingly frequent droughts on average every 3 to 5 years, results in significant damage to crop production and, depending on the drought intensity and duration, can reduce crop yields by 20-70%. The underdeveloped water supply infrastructure to agricultural land is a contributing factor substantiated by the fact that only 1.1% of utilised agricultural land is irrigated. A target of 6% by 2020 has been established in the National Plan for irrigation and agricultural land and water management.

Cereal production accounts for the largest share of the total crop production. Between 2008 and 2012, cereals were grown on an average area of 559,916 ha, with an average production of 3,137,702 t. In the structure of cereal production, maize (62.4%), wheat (27.1%) and barley (7.2 %) are dominant. Croatia is self-sufficient with regard to wheat, maize and oats production and barley production is very close to being self-sufficient, but the domestic production of other cereals does not meet the total demand (Annex IV – Table 6).

In the structure of oil crop production, the dominant cultures are soy (46.8%), sunflower (33.1%), and oilseed rape (19%). From 2008 to 2012, oil crops were produced on an average area of 102,500 ha, with an average annual crop production of 264,914 t, and respectively a vegetable oil production of 89,500 t. Croatia is self-sufficient in regard to oil crops, but self-sufficiency with regard to vegetable oils was achieved only in soybean oil production (Annex IV – Table 7).

In 2012, sugar beet was grown on 23,502 hectares producing 919,230 t, with sugar beet root yields of 39.1 t/ha. The average annual yield of sugar beet root for the 2008-2012 period was 51.16 t/ha, substantially less than the yields of EU countries which employ advanced production technologies (France, Germany) and whose sugar beet root yields exceed 70 t/ha. The sugar beet cultivation areas did not undergo any substantial changes in the analysed period 2008-2012 (Annex IV – Table 8). The average annual production of sugar for the 2008-2012 period was 290,750 t. Croatia is self-sufficient with regard to sugar beet production.

Tobacco production and its cultivation areas have been maintained at a level between 5 to 6 thousand hectares. The average yield for the 2008-2012 period was 2.06 t/ha, producing an annual average of 11,427 t of tobacco.

**Fruits and vegetables**
In 2012, fruit was produced on approximately 30,000 ha (27,141 intensively and 3,705 extensively), amounting to only 2.3% of utilised agricultural land. A total of approximately 200,000 tonnes of fruit were produced (Annex IV – Table 9).

In the period between 2008 and 2012, fruit production areas decreased. Between 2008 and 2012, apples were produced on 6,410 ha, producing an annual average of 71,496 t; tangerines were produced on 1,541 ha, with a total production of 46,372 t; and plums were produced on 5,317 ha, with a total annual production of 16,916 t. The average annual yield of apples in 2008-2012 was 11.15 t/ha, of tangerines 30.1 t/ha, of peaches and nectarines 4.44 t/ha, of pears 2.36 t/ha, and of plums 3.18 t/ha. In fruit production during 2010 and 2011, only the production of cherries, sour cherries, apples and tangerines was self-sufficient and plums neared the self-sufficiency threshold (Annex IV – Table 10).

In 2012, vegetables were grown on 7,433 ha and total production amounted to 178,854 t. The prevalent species were onion, garlic, tomato, white cabbage, melon, watermelon, carrot and pepper. Vegetable cultivation areas were reduced by nearly 50% in 2008-2012 (Annex IV – Table 11), which will represent a serious problem in the coming period. Vegetable production in closed environments (greenhouses) is minimal and in 2012 was conducted on merely 495 ha.

The average annual yield of tomato in 2008-2012 was 36.52 t/ha, of pepper 11.02 t/ha, of carrot 23.98 t/ha, and of onion and garlic 22.92 t/ha. Vegetable yield levels are assessed as being relatively low (Annex IV – Table 12).

Croatia has a low level of self-sufficiency in vegetable production (Annex IV – Table 13). In 2010 and 2011, only the production of cabbage and leek neared the self-sufficiency threshold.

The mushroom farming sub-sector is somewhat specific compared to other vegetable production. Annual mushroom production fluctuates between 40- 45,000 tonnes. This sub-sector is particularly sensitive as overall production relies on imported substrate which, due to transport costs, increases production costs by 15% making Croatian mushrooms non-competitive.

According to CBS data, in 2012 vineyards covered 29,237 hectares, and there were 124 million productive vines. In 2008-2012, average annual grape production amounted to 198,271 tonnes and average annual wine production for the same period was 1,367,400 hl. According to CBS data, decrease in areas, productive grapevine, and grape production in 2012 is evident in comparison to the 2009 - 2011 period, and wine production was also substantially reduced (1.42 thousand hl on average). Average annual grape yields in the 2008-2012 period were 6.1 t/ha. In 2010 and 2011, on average 1,027.5 million litres of wine were exported to the EU and 1,849 million litres were imported.

According to CBS data, in 2012 olive groves covered 18,100 ha, an increase of utilised land in comparison to the 2008 - 2012 period. The average olive yield for the 2008-2012 period was 2.22 t/ha, the total annual production of olive fruit was 37,783 tonnes, and the average annual production of olive oil was 53,691 hl. In 2010 and 2011, olive production neared the self-sufficiency threshold.

According to CBS data, in 2012 medicinal herbs, spices and aromatic herbs were grown on 3,201 ha, the average area used for cultivation in the 2008-2012 period was 2,887 ha, the average yield was 0.6 t/ha, and average annual production was 1,790.2 t. Large parts of the cultivation areas are used for organic production (1,159 ha in 2012).

Flower production is present on smaller areas and it predominantly involves seasonal annual (summer) and biennial (pansies in protected areas) flowers. Chrysanthemums are cultivated on open fields, and perennials
and house plants are imported. Production areas are substantially smaller and production is not specialised. Technological equipment is fairly outdated. In the 2008-2012 period, flowers and decorative plants were cultivated on an average area of 321.8 ha.

In 2012, planting material was produced on an area of 248 ha with 3,145,549 fruit seedlings and 2,765,738 vine grafts produced, a significant decrease in both production and areas compared to the 2008-2012 period. The prevalent fruit seedlings were: apple with 37.09% (1,166,878 seedlings), olive 10.35% (325,792 seedlings), pear 8.39% (264,022 seedlings), plum 6.87% (216,399 seedlings), and cherry 6.01% (189,156 seedlings).

In the 2008-2012 period, the prevalent registered seeds per species were: winter wheat with 45,227 t, maize with 8,851 t, winter barley with 5,900 t and potatoes with 6,886 t (Annex IV – Table 14).

**Livestock production**

According to CBS data, in 2012 the share of livestock production in the total value of agricultural production was 35.8% which, in comparison to the EU-27 (40.8% share), suggests that the structure of agricultural production of Croatia is unfavourable. The fact that, in 2012, in Croatia there were 0.62 livestock units (LSU) per 1 ha of utilised agricultural land (CI-21), while in relation to the total available agricultural land this ratio was even lower, illustrates that the level of development of livestock production remains unsatisfactory. There are 0.78 livestock units per 1 ha of utilised agricultural land in the EU-27 and 0.89 LSU per 1 ha in the EU-15 (Annex IV – Table 15).

In 2012 there was a total of 451,517 head of cattle, approximately similar to the analysed period between 2008 and 2012. In this period, approximately 144,655 head of cattle were imported annually to Croatia and 18,245 exported, indicating an extremely unfavourable import-export ratio. This is a consequence of the long-term trend of decreasing numbers of suppliers and cattle, mostly cross-breeds, on family farms oriented towards milk production that dominates the Croatian cattle farm structure, in turn caused by intensive restructuring of the sector and resulting in an insufficient number of calves now supplemented by imports. In the analysed period, since 2008, the number of milk producers has halved and the number of dairy cows has been reduced by 15%; by 2012 milk production in Croatia involved 14,874 producers and 180,555 cows. On average, 289,061 head of cattle were slaughtered annually in the analysed time period.

According to CBS data for 2012, domestic beef production was 44,532 t and was, on average, 14% down from 2011. Analysing the average domestic production of beef for 2008-2012, which was 48,591 t, neither the population's demand for fresh meat, nor the processing industry's demand for quality raw materials were met. The average self-sufficiency for 2011 was 81.19%. The average carcass weight for 2012 was 215.45 kg.

The decrease in the number of milk producers and cows, as well as a lack of producer organisations, had a negative impact on milk production (Annex IV – Table 16). In 2012, a total of 602,356,733 l of milk were purchased, 3.84% less than the previous year, with a trend towards further decline, insufficient for the demands of the processing industry which supplements the shortage by importing milk and milk products. In 2012, such imports were 10.2% higher than in 2011. Some milk is also processed by family farms and sold via direct sales. Analysing overall milk production in 2012, a total of 804 million litres were produced, 97.8% of which was cow milk.

According to demand in Croatia, the country is nearing self-sufficiency with regard to milk products, cream, butter and cream cheese spreads, but it does not fully meet the demand for cheese, processed cheese and
In 2012, there were a total of 1,182,347 pigs in Croatia, a drop of 4% compared to 2011. Pig farming is predominantly conducted on family farms with small production units of up to 10 sows (93.46%) or 10 to 50 sows (5.95%). To a lesser extent, pig farming is conducted in medium-sized production units of 50 to 100 sows (0.23%) and large production systems with full production cycles and more than 100 sows (0.36%). In the 2008-2012 period, approximately 597,593 pigs were imported and 34,684 exported annually, an extremely unfavourable import-export ratio. On average, 2,079,723 pigs were slaughtered annually in the analysed time period.

According to CBS data for 2012, domestic pork production was 122,107 t, substantially lower than the average production in the 2008 - 2012 period which was 141,463 t. This level of production does not meet the domestic demand for fresh meat or the processing industry's demand for quality raw materials. The average self-sufficiency was 66.6%. The average carcass weight for 2012 was 70.93 kg.

The most important production in the poultry sector pertains to the production of chicken meat, followed by turkey, goose and duck meat, and consumption eggs laid by laying hens. In 2012 there were a total of 10,160,379 units of poultry, on par with the previous four years. In the 2008-2012 period, approximately 1,494,147 units of poultry were imported and 2,758,972 units exported annually, which is a favourable ratio of import over export, especially for 2012. In the analysed time period, on average 45,848,190 units of poultry were slaughtered annually, and the average carcass weight was 1.73 kg. According to CBS data, domestic production of poultry meat in 2012 was 74,448 t. In the 2008-2012 period, the average annual production of poultry was 81,702 t, still insufficient for the domestic demand as well as the demands of the processing industry. The average self-sufficiency for 2011 was 93.58%. Egg production in 2012 decreased in comparison to the 2008-2011 period from 774,100 million pieces to 584,962 million pieces. It was near the self-sufficiency threshold and averaged 94.87% for 2012. The production of hatching eggs also decreased by 3.51%, and production lacks approximately 22,000,000 hard line eggs.

According to CBS data for 2012, a total of 680,000 sheep and 72,000 goats were raised. Despite the registered positive trend, sheep and goat production is still conducted by extensive and traditional methods without an organised market approach. The share of sheep milk in overall milk production in 2012 was only 0.7% and the share of goat milk was 1.5%, despite the favourable trend and growing demand. A large share of the milk is processed by family farms, often in inadequate conditions.

In the 2008-2012 period, approximately 50,218 sheep and 211 goats were imported annually and on average 458 sheep and 230 goats exported. On average 483,830 sheep and 68,486 goats were slaughtered annually. In the 2008-2012 period, the average domestic production of sheep and goat meat was 6,096 tonnes. The average sheep and goat carcass weight for 2012 was 11.67 kg. Domestic production does not meet the overall demand, and the average self-sufficiency for 2011 was 78.58%.

According to the data of the National Apiculture Programme[7], in 2012 there was a 21.5% rise in the number of honey bee colonies. The estimated honey production in 2012 was higher than in previous years, and in the analysed period 2008-2012 amounted to 2,783 t, achieving a self-sufficiency level of 119.92%.

In 2012, the number of registered horses was 20,335, 1.5% higher than in 2011. As well as recreational and sporting purposes, horses are raised for meat production. Since horse meat consumption in Croatia is low, it is primarily intended for export. To a lesser extent, horses are raised as protected autochthonous breeds.

Organic production
In 2012, a total of 1,528 AHs producing organic agricultural products were registered in Croatia. In 2012, a total of 31,904 ha of agricultural land were used for organic production, 2.4% of the total agricultural land (CI-19). The agricultural land used for organic production has tripled in the last five years (Figure 5). The importance of organic agriculture for rural development has been recognised at national level, attested by the adoption of the Action Plan for Development of Organic Agriculture in Croatia 2011-2016. Its main objectives are to increase the organic agriculture production area, strengthen the organisation of organic producers in groups, foster the processing and marketing of organic products and establish a system for educating and informing consumers on organic production. Most of the land currently used for organic production is devoted to arable land, meadows, pastures and orchards.

**Integrated production**

Integrated production as defined in the Law on Agriculture establishes a balanced application of agrotechnical measures with a minimal use of agrochemicals, aiming to protect the health of people, animals, nature and the environment[8]. There were 740 agricultural producers registered for integrated production in 2013 on 96,986,81 ha. The share of land used for integrated agricultural production in relation to the total utilized agricultural land is 7.46%.

A detailed description can be found in the Agri-environment-climate measure, under Integrated farming.

**Special food quality marks**

In Croatia there are 15 protected product names at national level: 6 registered as Protected Designation of Origin (PDO) and 9 registered as Protected Geographical Indication (PGI). 12 products are currently in the registration process at EU level[9], and a further 6 products are registered at national level, and are at the start of the registration process at EU level. Another 7 products are in the registration process at the national level of which 6 are for PDO and one for PGI. At present, there are no Traditional Speciality Guaranteed registered products in Croatia.

**Agricultural environment situation**

According to the Environmental Protection Agency (EPA), data from 2011 showed that the total agricultural area amounted to 2,767,000 ha, of which 1,548,000 ha refers to land under crops (perennial and annual crops), and the remaining 1,219,000 ha are grasslands (meadows, pastures and agro-forestry systems that do not fall under the definition of forest ie, underutilized agricultural land under threat of succession and thus at risk of permanent loss for biodiversity and landscape diversity).

**Biodiversity**

According to the diversity of plant species (0.080 species/km² or 0.088 species/km² including subspecies), Croatia occupies third place in Europe. The total number of known species and subspecies amounts to nearly 40,000, and the assumption is that there may be up to three times more.

Protected areas are the backbone of the overall protection of biodiversity and landscape diversity, and cover 8.56% of the total surface area of Croatia or 750,264.52 hectares, most of which are nature parks. According to the Protected Areas Register of the Ministry of Environmental and Nature Protection[10], a total of 419 areas have been permanently protected (as of 20.12.2013).

Croatia is currently working to ensure the adequate management of Natura 2000 areas. In September 2013, the national Regulation on the Ecological Network (OG, 124/2013) was adopted, establishing designated
areas important for birds and their habitats according to the Article 4 of the Birds Directive (SPA – Special Protection Areas), including the Ordinance proscribing adequate conservation measures for SPAs. The aforementioned Regulation also proposed sites for the protection of species and habitats of EU importance listed in Annex I (habitat types) and Annex II (species) of the Habitats Directive (pSCIs – proposed Sites of Community Importance) according to the procedure laid down in Article 4. Once the proposal for proposed sites (pSCIs) is evaluated, any necessary amendments made and the list of Sites of EU importance (SCI) published, the necessary conservation measures for SCIs will be drawn up and established, as defined in Art 4(4) of Habitats Directive.

The adopted Ordinance on SPA does not contain restrictions for farmers, but only for forest owners. However, the Rural Development Programme envisages specific agri-environmental measures/incentives that can make a significant contribution to biodiversity, so farmers will be encouraged to implement them. Among them, there are two pilot measures for Natura 2000 species - Crex crex and several butterfly species.

As regards management plans, it is envisaged that forest land management plans will be integrated into sectoral development plans. Furthermore, several management plans for Natura 2000 areas that include agricultural land have been drafted within IPA and their adoption is underway.

Agricultural land is one of the most important factors affecting biodiversity in Croatia, and nearly every third hectare (31% or 644,000 hectares) of Natura 2000 sites is located in agricultural areas (a mosaic landscape with fields, meadows, gardens, extensive orchards and vineyards, i.e. 178,929.16 hectares or 13.63% referring to used agricultural area (CI-34; PAAFRD 2013)). Numerous habitats and protected species are found in agricultural areas (e.g. tares, orchids, corncrakes, stone curlews, larks, butterflies, grasshoppers etc.) whose survival largely depends on agricultural activities.

High nature value (HNV) farmland is generally associated with low intensity land use suitable for the preservation of high levels of biodiversity. The methodology for determining HNV farmland is based on data from CorineLandCover (CLC 2000), taking into account the distribution of areas important for biodiversity. Areas of selected CLC classes are combined with internationally and nationally important areas for biodiversity, including areas important for birds, areas important for butterflies and Natura 2000 sites. As a specificity of Croatia, HNV farmland also includes freshwater ponds of great natural value. This analysis provides an indicative map of Croatia, according to which 54.4% of the country is under HNV farmland (CI-37) (SINP[11], 2011). The abandonment or intensification of agricultural production in these areas has a negative impact on biodiversity and it is necessary to encourage and maintain appropriate means of management for HNV farmland.

Less favoured areas

3,425,347 ha are defined as areas with natural constraints of which 45,453.83 ha (3% UAA) are in the mountain category, 28,941.49 ha (7.6% UAA) in the category of islands with Pelješac peninsula and 343,030.21 ha (22% UAA) in the category of special state concern I and II. All three categories were defined on the cadastral municipality level.

Water

Water resources

The available quantities of water are 15,000 m³/person/year on average from rainfall, more than 7000 m³/person/year from renewable reserves of groundwater and over 30,000 m³/person/year from rivers flowing into Croatian territory from neighbouring countries. In terms of the average water balance of inland
waters, the water resources in Croatia amount to 111.66 x 10^9 m/yr. At the same time, at present, according to some estimates, Croatia uses, for all purposes, less than 1% of renewable water resources, of which 90% is groundwater.

However, the distribution of water quantity over the year is marked by a distinct spatial and temporal unevenness in the distribution of water resources. There are frequent droughts in Croatia, occurring on average every 3 to 5 years, and depending on their intensity and duration, they can reduce crop yields by 20-70%. The use of water in agriculture for irrigation is insufficient: only approximately 1.1% (CI-20) of agricultural land is currently irrigated, much lower than the EU-27 average (5.82%). 2010 data show a very high quality of surface waters with only 14.8% of poor quality surface waters and no poor quality groundwater at all (CI-40, 2010, Hrvatske vode, Institute of Water Management).

The first River Basin Management Plan (RBMP), developed by Croatian Waters in line with EU water Acquis and the Water Framework Directive, was adopted in June 2013 (OG 82/13) and sent to the European Commission for review. Croatia has now joined the other Member States in the first planning cycle (2009-2015); the preparation of the second RBMP for the following six-year period (2016-2021) has begun. The RBMP contains an overview of water status, an overview of the water monitoring system and a programme of measures for the improvement of the water status in Croatia, covering both river basin districts established for the management of river basins on national territory: namely, the Danube River Basin District and the Adriatic River Basin District. A Flood Risk Management Plan is also under preparation and will be adopted by the end of 2015 as an integral part of the first amendment of the RBMP.

Consumption of fertilizers

According to CBS data, the consumption of mineral fertilizers in 2012 amounted to 360,112 t. In relation to 2011, there has been an 18.3% decrease in the consumption of mineral fertilizers due to the increased prices of mineral fertilizers on the market and an intensive education campaign carried out by the Advisory Service on the principles of good agricultural practice[12] concerning the proper use of fertilizers on agricultural land.

Soil Erosion

Erosion in Croatia causes soil losses in the amount of 3.24 tons per year, compared to the MS average of 2.76 t/ha (EUSTAT 2012). Water erosion affects nearly 1.5 million hectares of agricultural land or 46% according to CORINE data (CI-42; Annex 2 – Table 26). In the LULUCF sector[13] (land use, land use change and forestry), one of the significant CO2 outflows are carbon stocks in the soil. They are calculated according to data on the soil organic carbon content, according to the IPCC[14] methodology for LULUCF categories of forest land, land under crops, grassland and urban areas (green areas in urban areas).

With the expected high carbon stocks in forest land (111.2 C t/ha) and grasslands (108.5 C t/ha), land under crops contains significant carbon stocks CI-41 (77.3 C t/ha), which is favourable given the otherwise negative contribution of the agricultural sector to the GHG emissions[15].

Emissions from agriculture

In 2011 agriculture[16] GHG emissions amounted to 3.318,52 Gg CO2-eq (CI-45), representing 11.75% of total national emissions. This is a slight decrease in relation to 2010 when it was 3.626,88 Gg CO2-eq indicating a continuation of the trend in reducing emissions from the agricultural sector, caused by livestock reduction and lower mineral fertilizers and consumption, combined with more intensive introduction of
good practices by AHs.

*Mined areas in Croatia*

Mined and mine-suspected areas are a significant problem in Croatia. On 1 January 2014, the total area of mine suspected areas was 613.6 km² (PSI-2), extending over the territory of 91 local self-government units in 12 counties. The structure of land contaminated with mines, explosive devices and unexploded ordnances is mainly represented by forests and forest land (81%), the remaining 19% (11,000 ha) in agricultural areas. Within the agricultural areas, 55% is arable land and the rest is meadow and pasture.

*Energy use and renewable energy resources*

According to data from the Energy Institute Hrvoje Požar and Hrvatska elektroprivreda (Croatian Electrical Utility), the production of electricity from renewable energy resources in 2012 amounted to 510.75 GWh. The production of renewable energy from biomass, biogas and biodiesel in 2012 amounted to 34,7 thousand tonnes of oil, equivalent to 3.9 % of total renewable energy production in 2012 (Eurostat). In 2012, the production of electricity from renewable energy resources accounted for 4.9 % of total production, with the exception of large hydro plants.

*Risk Management*

Croatia suffers from a high level of damage from natural disasters, amounting to on average more than 200 million EUR annually, with floods, droughts and fires the most significant risks. In terms of risk related primarily to agriculture, there is a strong need to improve the irrigation system infrastructure since due to droughts there is huge pressure on the safety of the food chain in terms of mycotoxin contamination and the degradation of soil conditions, lowered groundwater levels, etc. The disaster management system needs to be improved both in terms of infrastructure and necessary human and technical capacities to reduce risks and improve prevention, preparedness and response to disasters.

26 insurance companies operate in Croatia, out of which 4 currently provide insurance policies for crops, animals and disasters. According to the Croatian Office for Insurance Yearly Report (2011), 18,238 insurance policies for crops and 2,818 policies for animals were taken out.

Due to the low investment potential, farmers do not insure their crops, which often suffer severe damage because of natural disasters caused by sudden climate change and occurrences of disease.

*Food processing industry*

*Structural indicators*

In the food processing industry (production of food, beverages and tobacco), there are more than 1,200 business entities registered, employing about 49,000 employees, of which 70% work in companies belonging to the category of medium-sized and large companies. Only 3% of business entities are in the category of large companies; however they have about 70% of the market share of total income of the food-processing industry, while more than 90% are small companies (<50 employees). The global crisis has also affected the sector: in 2009 there was a decrease in production, increase of costs and decrease of investments.

Within the food-processing sector, the manufacturing of food products accounts for about 76.2% and beverage production for 17.2% of the production value, while tobacco products account for 6.6%. According
A positive trade balance is present only in nine product groups (homogenised food preparations and dietetic food; sugar; spices and food supplements; tobacco products; malt; beer; soft drinks and water; meat products and poultry meat; ice cream). (Table 6 according to the Nomenclature of Industrial Products/NIP). The coverage of imports by exports in food products is only 52.4%, and the only exports that exceed imports are beverages and tobacco products.

**Food processing industry - Competitiveness of the sector**

The competitiveness of the food processing industry in Croatia in relation to the EU 27 is very low, which is evident from the following indicators:

- small proportion of the value of national production (0.5% of the value of production, 0.5% of turnover, 0.6% of value added and 0.6% of gross operating surplus in relation to EU 27),
- lower value of national production efficiency (-61.2% in turnover per employee and -55.2% in labour productivity compared to the level of EU 27 average),
- lower levels of national investment (-49.3% in relation to average levels of EU 27),
- higher costs per employee in Croatia (23.5% in relation to EU 27 average).

**Processing on family farms**

Croatia has registered the processing of agricultural products at fewer than 1,000 family farms which in relation to the total number of family farms represents less than 1% of the total.

**Forestry sector**

The term "Forestry sector" in the RDP includes forestry, hunting and wood processing. According to the Forest Act, forest is considered the land covered with forest trees in the form of the stand on more than 10 acres (0.1 ha) and forest land is considered the land on which it is grown forest or that is due to its natural characteristics and conditions of management envisaged as the most favorable for the cultivation of forests.

Sustainable forest management in Croatia has a centuries-old tradition of preserving and improving the protection of biodiversity and beneficial functions of forests (forest ecosystem services). Forestry as an industry has a significant influence on the development of rural areas, although its share in national GDP[18] is only 1.11%.

The total area of forests and forestland in Croatia amounts to 2,688.688 ha, accounting for 48% of the total land area (CI-29). 78% of forests and forestland are owned by the state, while the remaining 22% is privately owned. 96% of the state-owned forests are managed by the state company Hrvatske šume (Croatian Forests) in accordance with the Forest Act, which is independent of the state budget and is financed from the proceeds of its activities (Figure 6).

The growing stock amounts to 398 million m³, annual growth is 10.5 million m³, and prescribed etat[19] (wood stock for felling) is 6.6 million m³/year. The Forest Management Area Plan of the Republic of Croatia
and other forest management plans are the basis for professional, scientifically based and sustainable forest management in Croatia.

The average size of private forest holdings is only 0.43 ha[20], due to fragmentation and size degradation. Current forest road density is only 6.5 km/1000ha.

With respect to the natural wealth of Croatia, the NATURA 2000 network covers 37% (CI-34) of national land territory with the largest share (68%) being the forest ecosystems[21]. Degraded forms of forest stands (coppice forests, shrubs, shrubbery, macquis, garigues) cover 1 046 972 ha or 43.58% of forests and forest land[22]. A good portion of these forests are located in the karst areas where they have the crucial role of providing environmental, health, tourism, recreational and other services[23].

80% of forest fires occur in the karst area of Croatia, where an average of 9,000 ha burns annually.

Silviculture improves the resilience and environmental value of forests and contributes to climate change mitigation through carbon outflow. Given that the role of these forests is primarily protective rather than economic, sustainable management is dependent on the continued support for silviculture. Together with increased investments in fire prevention and protection[24], this will reduce natural risks to the lowest level. State owned forests and part of privately owned forests are managed according to FSC certification standards[25]. Contractors in forestry[26], due to the high purchase price of machines and tools, often use environmentally unfriendly machines and tools as well as procedures potentially threatening for human health.

Game Management, besides its rich tradition in Croatia and diverse habitats, has significant tourism potential and could provide a valuable economic asset for rural community.

Wood processing and furniture production have a significant role in the national economy[27], whose structure is dominated by small business entities[28]. Wood processing is characterized by low productivity, profitability and a poor level of finish and is lagging in technological development due to the lack of investment in new, more efficient and environmentally friendly technologies. In 1990, there were 35,060 employees working in wood processing; by 2011 that number had dropped significantly to 10,839 employees[29].

[1] Programme-specific context indicators
[2] References are made to EU-27 in this section where data refers to prior 1/7/2013
[4] Pertains to actual utilised area. It is estimated that the area is larger because many holdings jointly use state land as pastures.
[6] AWU - Annual Work Unit - means the annual working hours of a person working on a full-time basis. In Croatia, 1 AWU is defined as 1,800 working hours per year.
The National Apiculture Programme is adopted pursuant to legislation governing the market of agricultural products, and the measures implemented within the framework of the Programme cannot be financed from the funds intended for rural development.

Production is carried out in accordance with the Ordinance on the integrated production of agricultural products and Technical guidance for the four types of production: fruit, grapes, vegetables and arable crops.

As of 08/05/2014

Ministry of Environmental Protection and Physical Planning

State Institute for Nature Protection

Brochure prepared by the Ministry of Agriculture, published in 2009

In the context of the Kyoto Protocol, the LULUCF sector that deals with reducing greenhouse gas emissions by neutralizing either by increasing the removal of greenhouse gases from the atmosphere (afforestation, forest management) or by reducing emissions (deforestation containment).

Intergovernmental Panel on Climate Change (IPCC) (International Panel on Climate Change)

Source: Selected indicators of environmental situation in the Republic of Croatia; CEA 2012).

Source: Inventory of greenhouse gases (NIR 2013) published by the Agency for Environmental Protection

Official Gazette Nos. 140/05, 82/06, 129/08, 80/10, 124/10, 25/12, 68/12

State of European Forests, 2011

Forest Management Area Plan of the Republic of Croatia 2006 - 2015

Assessment according to the Ordinance on forest management, Official Gazette Nos 111/06 and 141/08

Proposal of the NATURA 2000 ecological network, 2012


Forest Management Area Plan of the Republic of Croatia 2006 - 2015

Register of forest fires (80% of the forest fires occur in the karst area of the Republic of Croatia, in which an average of 9,000 ha burn annually)

www.fsc.hr

Croatian Chamber of Forestry and Wood Technology (326 licensed contractors)
Central Bureau of Statistics (7% of the total trade in Croatia, one third of the total number of employees in the processing industries, EUR 186 million or 0.4% share of GDP in 2009)

Central Bureau of Statistics (1.331)

Central Bureau of Statistics

Diagram text:
Vanjsko trgovinska razmjena poljoprivredno prehrambenih proizvoda = Foreign trade of agri-food products
Izvoz = Export
Uvoz = Import
mj = month

Figure 2 Commodity export and import values of the Republic of Croatia
<table>
<thead>
<tr>
<th>Year</th>
<th>% Holdings</th>
<th>land size (ha)</th>
<th>all holding (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>0 to &lt; 3</td>
<td>≥3 to &lt; 20</td>
</tr>
<tr>
<td>2007</td>
<td>holdings</td>
<td>60.52</td>
<td>36.15</td>
</tr>
<tr>
<td></td>
<td>land</td>
<td>9.34</td>
<td>43.6</td>
</tr>
<tr>
<td>2008</td>
<td>holdings</td>
<td>62.11</td>
<td>34.35</td>
</tr>
<tr>
<td></td>
<td>land</td>
<td>9.48</td>
<td>41.46</td>
</tr>
<tr>
<td>2009</td>
<td>holdings</td>
<td>63.27</td>
<td>33.16</td>
</tr>
<tr>
<td></td>
<td>land</td>
<td>10.07</td>
<td>40.84</td>
</tr>
<tr>
<td>2010</td>
<td>holdings</td>
<td>63.84</td>
<td>32.58</td>
</tr>
<tr>
<td></td>
<td>land</td>
<td>10.65</td>
<td>40.91</td>
</tr>
<tr>
<td>2011</td>
<td>holdings</td>
<td>56.25</td>
<td>39.14</td>
</tr>
<tr>
<td></td>
<td>land</td>
<td>10.02</td>
<td>39.05</td>
</tr>
</tbody>
</table>

**Source:** CBS - Research on the Structure of Agricultural Holdings 2010 Data prepared by: Ministry of Agriculture

**Diagram text:**
- Puno poljoprivredno obrazovanje = Full agricultural education
- Osnovno obrazovanje = Elementary education
- Samo praktično iskustvo = Only practical experience

**Figure 3 Structure of Agricultural Holdings**

**Figure 4 Education of Farm holders**
**Diagram text:**
Livade i pašnjaci = meadows and pastures  
Voćnjaci = orchards  
Ljekovito bilje = medicinal herbs  
Maslinici = olive groves  
Vinogradi = vineyards  
Ostalo = other  
Oranice = arable land

*Figure 5 Structure of organic production in the total utilised agricultural land*

**Graph text:**
RH – Hrvatske šume = Republic of Croatia – Hrvatske šume (Croatian forests) Ltd.  
Privatni šumoposjednici = Privately owned forests  
RH – Tijela državne uprave i pravne osobe = Republic of Croatia - Government bodies and legal persons

*Figure 6 The ownership structure of forests and forest land in the Republic of Croatia*
4.1.2. Strengths identified in the programming area

- Accessibility of expert advisory services throughout the country through established county offices of the Croatian Advisory Service with experienced staff for measures established under IPARD

- Agriculture is historically important and represents the most common economic activity of the population in rural areas as well as representing a relatively significant proportion of the labour force: the agriculture sector accounts for 5.5% of GDP and 13.8% of total labour force

- Consolidated trend towards a more viable farm structure evidenced by the increase in number of agricultural holdings registered in the categories from 20 to 100 ha (2007-2011, increase of 36.24%) and from 100 to 750 ha (2007-2011 increase of 62.5%)

- High-quality domestic products due to good natural conditions and traditional production methods: there is an increase in the number of registered products with quality marks applying for EU registration

- The tradition of craftsmanship: the forestry sector has a significant economic role with wood-processing and furniture production

- A developed system of insurance companies operating in rural areas with a previous experience of agricultural users

- High-quality natural resources and cultural heritage and extensive family farm structure provides a strong basis for rural tourism development

- Articulated system of local self-government units and some experience in drawing up local development plans for place-based strategies and local governance

- Increasing interest of producers in integrated and organic production and appropriate legal framework well-established: the agricultural land used for organic production has tripled in the last five years

- The NATURA 2000 network covers 37% of national land territory with the largest share (68%) being the forest ecosystems

- Wealth of biological and biogeographic diversity: Croatia is rich in terms of well-preserved natural resources and biodiversity, with 40,000 identified taxa

- 48% of the country is covered in forests, with considerable production potential of forest biomass as a renewable energy resource

- 250 year old tradition of forestry based on principles of sustainable forest management and a long-established tradition of Forest Management Plans, as the result of which 76% of forest areas are FSC certified

- The availability of sufficient quantities of water of good quality, with a very high quality of surface waters

- Increasing environmental awareness in the farming community: e.g. a significant decrease in the use of mineral fertilizers (18.3% in 2012 compared to 2011) supported by an intensive information campaign
4.1.3. Weaknesses identified in the programming area

- Low level of education and lack of informal education programmes and vocational training of farmers and forest owners: in rural areas, the proportion of adults with only primary education ranges from 20% - 35% and 95% of farmers have no vocational agricultural education whatsoever. These factors lead to a low take up of innovation in the sector

- Insufficient and patchy access to broadband in rural areas: less than 0.01% of rural households had access to NGA services in rural areas at the end of 2012 and 2.2% of the population have no broadband access

- Insufficient knowledge and training of advisors with regard to the implementation of new techniques and technologies contributing to the sustainable and efficient use of natural resources

- Lack of access roads and other physical infrastructure (such as water treatment services) in rural areas to support the rural population, with long-term neglect of physical, recreational and social infrastructure in rural areas. The limited access to services in terms of distance and availability also impacts on social inclusion

- Consolidated trend of migration from rural areas to the urban conglomerations, marked particularly in the 20-35 age group

- Large number of small agricultural holdings unable to profit from economies of scale and on the verge of economic viability: 89,480 agricultural holdings are in the economic category SO under EUR 2,000 and the average is EUR 9,064.9 per holding

- High unemployment rate in rural areas in 2013, the employment rate for persons aged 15-64 was 62.5% (13.5% lower than the EU-27 average). Long-standing decrease in employment is especially marked in the forestry sector under long-term dramatic decline

- The degree of exposure to poverty in rural areas is significantly higher than the national average, amounting to 38.1%

- Lack of updated and integrated local strategies and development plans and low administrative, technical and financial capacity of local self-government units

- Insufficient area coverage with local action groups

- The age profile of farmers and forest owners: 58.8% of holders of agricultural holdings are over 55 and only 4.1% under 35 with a lack of generational renewal

- Low level inclusion of agricultural holdings into higher-level organizational forms and other types of cooperation: 97.4% of holdings function as family agricultural holdings and only 0.2% as cooperatives due to the negative historical connotations of former cooperatives

- Large number of small unspecialised family farms in livestock production held by ageing farmers with only primary education, under further pressure due to the requirement to adapt to Community standards regarding animal health and welfare and environmental protection, contributing to their decline and a downward trend in numbers

- A high presence of and reliance on intermediary sales. This is exacerbated by an imbalance in bargaining power between producers and processing-distribution chains

- Lack of information, marketing and involvement of agricultural and forestry producers in quality systems

- Lack of self-sufficiency for the majority of agri-food products and unfavourable import-export ratio
• Uncompetitive agricultural production and low productivity in the food-processing sector. The productivity of Croatian agriculture (2010-2012) was 58.2% less than the EU average. The sector is characterised by low incomes and low yields

• Low level of value-added agricultural, wood and non-wood forest products

• Low investment in modernisation, technology and innovation of agricultural holdings, forestry and processing economies given the structure, average holding size, and standard output together with a lack of quality support resources at the national level

• Inadequate level of finishing and processing of wooden raw materials making products difficult to place in domestic and export market

• Limited application of research knowledge and its translation and transfer into the agricultural sector with scarce interest among farmers to develop, test, implement and disseminate latest knowledge and innovations and low take up of innovation due to low level of education and knowledge

• Lack of general information and education of the rural communities about the importance and benefits of sustainable management of ecosystems in agriculture and forestry and preservation of biodiversity

• Little coverage of agricultural and forestry production insurance policies from damage caused by natural disasters and wildlife

• Loss of soil and loss of soil fertility due to erosion, significantly higher than the EU average, and 23.23% of agricultural land is at high risk of soil erosion

• Insufficient capacity for adequate disposal of manure on agricultural holdings

• Deterioration of landscape and the reduction of biodiversity due to the abandonment of agricultural land or intensification of agricultural activity: 54.4% of Croatia is under HNV farmland

• Large proportion of degraded forms of forest stands, affecting 43.58% of forests and forest land and Insufficient enriching of forest ecosystems with rare and endangered native species of trees and shrubs

• Presence of mined forest and agricultural areas: 613.6 km² is currently mine-suspected of which 81% is forest land and 19% agricultural land

• Low share of privately owned forest areas with international certification for sustainable management and 60% of privately owned forests do not have forest management plans

• Outdated and neglected systems for the improvement of drainage

• Underdeveloped infrastructure for irrigation systems: only 1.1% of utilised agricultural land in Croatia is irrigated and increasingly frequent occurrences of drought lead to uneven crop production

• Outdated and energy-inefficient facilities, techniques and technologies in agriculture and forestry and lack of awareness and knowledge. Low level of use of renewable energy resources: insufficient promotion and knowledge transfer for using forest biomass

4.1.4. Opportunities identified in the programming area
• Increased interest in areas of high landscape and cultural values of rural areas as part of a demand for green/rural tourism in the EU, strongly linked to nature, local products, and cultural traditions

• Significant opportunities for diversification for the family farms, rural SMEs and forest economic activities with the development and marketing of added-value food products and handicrafts, in rural tourism and related services, also in the context of national Strategies such as the National Tourism Strategy for 2020

• Availability of abandoned agricultural holding buildings, community halls, schools for rural community development and use

• Better connectivity of rural communities including opportunity for direct sales by small producers through ICT and broadband accessibility within and outside the EU

• Easier access to information on the latest technology solutions and innovation in the EU and more opportunities for cooperation and exchange of practices - better trained, more highly qualified farmers and foresters will be more innovative and receptive, also with the support of the EIP network

• The lack of self-sufficiency for the majority of agricultural products provides a significant margin for increasing income through higher yields and productivity to fulfil the domestic market needs

• Easier access of agri-food and forestry products to the EU market and greater opportunities for their promotion and marketing in the global market

• Developing new markets for forestry ecosystem services: this could range from FSC wood products to sales of game for both the domestic and export market

• The growth of consumer interest (domestic consumers, tourists and export market) in value-added local agri-food products, including a growing segmentation based on the specific characteristics of the raw materials, quality marks, health aspects and ethical and environmental considerations and increased market for organic products in the EU market

• A better understanding of risk management practices to support protection against biotic and other threats, including via cooperation

• Growing awareness in rural communities of the consequences of climate changes and the need to increase resilience and biodiversity of forest and of agricultural ecosystems as well as carbon drain

• Increased availability and convenience of more efficient and environmentally friendly technologies in agriculture and forestry (green technologies)

• Large availability of water. Thanks to favourable climatic, hydro geological and hydrological features and in proportion to its small population, water use opportunities in Croatia are very favourable and can be exploited within the context of the National Plan for irrigation and agricultural land and water management in Croatia with clear 2020 targets

• National Strategy for energy produced from renewable resources and increasing demand, driven by the need to meet the 2020 energy goals, will stimulate the utilization of biomass from agriculture, food-processing and forests

• Expected increase in fossil fuel prices will enhance benefits to rural communities from supplies from renewable energy sources

• Macro-regional strategies addressing key issues with an impact on the agricultural and forestry sector
4.1.5. Threats identified in the programming area

- Ageing population in rural areas may increase pressure on available health and support services and local self-government units
- Continuing migration may lead to the decline of rural communities and abandonment of rural settlements, with an accompanying loss of cultural and traditional values
- Lack of provision of basic services and deterioration of infrastructure because of cuts in public spending and inappropriate organisational models
- Failure to take on innovation and engage in collaborative/cooperative activities: farmers and forest owners with low levels of education are less prone to take risks and innovate or see the benefits of collaboration and cooperation
- Global or regional financial crises and weak investment potential exacerbated by lack of access to credit creating barriers to modernisation
- Competition from neighbouring countries and the EU market with cheaper products
- The high cost of getting agricultural and food products into major retail chains, ensuing steady quality supplies and logistics
- Lack of awareness of the public and economic operators towards sustainable and environmentally efficient management in agriculture and forestry
- Environmental degradation: degradation in key environmental assets could significantly and negatively affect the farming sector in the longer term. Pests and diseases can also have an unpredictable and potentially significant effect on farm and forestry businesses and the food and wood supply chains.
- Vulnerability of rural areas to natural disasters, such as floods risking the livelihoods in the farming sector
- The impact of global climate changes on the stability of production, product quality and preservation and stability of agricultural and forest ecosystems. Abandonment of agricultural land consequent to rural depopulation with the formation of successions and the consequent reduction in the intensity of forest ecosystems management
### 4.1.6. Common Context Indicators

#### I Socio-economic and rural situation

<table>
<thead>
<tr>
<th>Indicator name</th>
<th>Value</th>
<th>Unit</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1 Population</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>total</td>
<td>4,398,150</td>
<td>Inhabitants</td>
<td>2012 p</td>
</tr>
<tr>
<td>rural</td>
<td>56.5%</td>
<td>% of total</td>
<td>2012</td>
</tr>
<tr>
<td>intermediate</td>
<td>25.4%</td>
<td>% of total</td>
<td>2012</td>
</tr>
<tr>
<td>urban</td>
<td>18.1%</td>
<td>% of total</td>
<td>2012</td>
</tr>
<tr>
<td><strong>2 Age Structure</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>total &lt; 15 years</td>
<td>14.9%</td>
<td>% of total population</td>
<td>2012 p</td>
</tr>
<tr>
<td>total 15 - 64 years</td>
<td>67.7%</td>
<td>% of total population</td>
<td>2012 p</td>
</tr>
<tr>
<td>total &gt; 64 years</td>
<td>17.3%</td>
<td>% of total population</td>
<td>2012 p</td>
</tr>
<tr>
<td>rural &lt; 15 years</td>
<td>15%</td>
<td>% of total population</td>
<td>2012 p</td>
</tr>
<tr>
<td>rural 15 - 64 years</td>
<td>67.4%</td>
<td>% of total population</td>
<td>2012 p</td>
</tr>
<tr>
<td>rural &gt; 64 years</td>
<td>17.6%</td>
<td>% of total population</td>
<td>2012 p</td>
</tr>
<tr>
<td><strong>3 Territory</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>total</td>
<td>56,594</td>
<td>Km2</td>
<td>2012</td>
</tr>
<tr>
<td>rural</td>
<td>79.1%</td>
<td>% of total area</td>
<td>2012</td>
</tr>
<tr>
<td>intermediate</td>
<td>19.8%</td>
<td>% of total area</td>
<td>2012</td>
</tr>
<tr>
<td>urban</td>
<td>1.1%</td>
<td>% of total area</td>
<td>2012</td>
</tr>
<tr>
<td><strong>4 Population Density</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>total</td>
<td>77.8</td>
<td>Inhab / km2</td>
<td>2011</td>
</tr>
<tr>
<td>rural</td>
<td>55.7</td>
<td>Inhab / km2</td>
<td>2011</td>
</tr>
<tr>
<td><strong>5 Employment Rate</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>total (15-64 years)</td>
<td>50.7%</td>
<td>%</td>
<td>2012</td>
</tr>
<tr>
<td>male (15-64 years)</td>
<td>55.1%</td>
<td>%</td>
<td>2012</td>
</tr>
<tr>
<td>female (15-64 years)</td>
<td>46.2%</td>
<td>%</td>
<td>2012</td>
</tr>
<tr>
<td>* rural (thinly populated) (15-64 years)</td>
<td>49.8%</td>
<td>%</td>
<td>2012</td>
</tr>
<tr>
<td>total (20-64 years)</td>
<td>55.3%</td>
<td>%</td>
<td>2012</td>
</tr>
<tr>
<td>male (20-64 years)</td>
<td>60.6%</td>
<td>%</td>
<td>2012</td>
</tr>
<tr>
<td>female (20-64 years)</td>
<td>50.2%</td>
<td>%</td>
<td>2012</td>
</tr>
<tr>
<td><strong>6 Self-employment rate</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>total (15-64 years)</td>
<td>16.4%</td>
<td>%</td>
<td>2012</td>
</tr>
<tr>
<td><strong>7 Unemployment rate</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>total (15-74 years)</td>
<td>15.9%</td>
<td>%</td>
<td>2012</td>
</tr>
<tr>
<td>youth (15-24 years)</td>
<td>43%</td>
<td>%</td>
<td>2012</td>
</tr>
<tr>
<td>rural (thinly populated) (15-74 years)</td>
<td>16.2%</td>
<td>%</td>
<td>2012</td>
</tr>
<tr>
<td>youth (15-24 years)</td>
<td>41.3%</td>
<td>%</td>
<td>2012</td>
</tr>
</tbody>
</table>

#### 8 GDP per capita
<table>
<thead>
<tr>
<th>Indicator name</th>
<th>Value</th>
<th>Unit</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>total</td>
<td>61</td>
<td>Index PPS (EU-27 = 100)</td>
<td>2012</td>
</tr>
<tr>
<td>* rural</td>
<td>45,8</td>
<td>Index PPS (EU-27 = 100)</td>
<td>2010</td>
</tr>
</tbody>
</table>

9 Poverty rate

<table>
<thead>
<tr>
<th>Indicator name</th>
<th>Value</th>
<th>Unit</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>total</td>
<td>32,7</td>
<td>% of total population</td>
<td>2011</td>
</tr>
<tr>
<td>* rural (thinly populated)</td>
<td>38,1</td>
<td>% of total population</td>
<td>2011</td>
</tr>
</tbody>
</table>

10 Structure of the economy (GVA)

<table>
<thead>
<tr>
<th>Indicator name</th>
<th>Value</th>
<th>Unit</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>total</td>
<td>37,279,4</td>
<td>EUR million</td>
<td>2012 p</td>
</tr>
<tr>
<td>primary</td>
<td>5</td>
<td>% of total</td>
<td>2012 p</td>
</tr>
<tr>
<td>secondary</td>
<td>26,3</td>
<td>% of total</td>
<td>2012 p</td>
</tr>
<tr>
<td>tertiary</td>
<td>68,8</td>
<td>% of total</td>
<td>2012 p</td>
</tr>
<tr>
<td>rural</td>
<td>44,2</td>
<td>% of total</td>
<td>2010</td>
</tr>
<tr>
<td>intermediate</td>
<td>22,5</td>
<td>% of total</td>
<td>2010</td>
</tr>
<tr>
<td>urban</td>
<td>33,3</td>
<td>% of total</td>
<td>2010</td>
</tr>
</tbody>
</table>

11 Structure of Employment

<table>
<thead>
<tr>
<th>Indicator name</th>
<th>Value</th>
<th>Unit</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>total</td>
<td>1,429,5</td>
<td>1000 persons</td>
<td>2012</td>
</tr>
<tr>
<td>primary</td>
<td>4,7</td>
<td>% of total</td>
<td>2009</td>
</tr>
<tr>
<td>secondary</td>
<td>31,3</td>
<td>% of total</td>
<td>2009</td>
</tr>
<tr>
<td>tertiary</td>
<td>64</td>
<td>% of total</td>
<td>2009</td>
</tr>
<tr>
<td>rural</td>
<td>48,3</td>
<td>% of total</td>
<td>2010</td>
</tr>
<tr>
<td>intermediate</td>
<td>23</td>
<td>% of total</td>
<td>2010</td>
</tr>
<tr>
<td>urban</td>
<td>28,7</td>
<td>% of total</td>
<td>2010</td>
</tr>
</tbody>
</table>

12 Labour productivity by economic sector

<table>
<thead>
<tr>
<th>Indicator name</th>
<th>Value</th>
<th>Unit</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>total</td>
<td>26,078,6</td>
<td>EUR/person</td>
<td>2012 p</td>
</tr>
<tr>
<td>primary</td>
<td>26,497,2</td>
<td>EUR/person</td>
<td>2009</td>
</tr>
<tr>
<td>secondary</td>
<td>20,770,4</td>
<td>EUR/person</td>
<td>2009</td>
</tr>
<tr>
<td>tertiary</td>
<td>26,642,6</td>
<td>EUR/person</td>
<td>2009</td>
</tr>
<tr>
<td>rural</td>
<td>24,399,2</td>
<td>EUR/person</td>
<td>2010</td>
</tr>
<tr>
<td>intermediate</td>
<td>26,045,3</td>
<td>EUR/person</td>
<td>2010</td>
</tr>
<tr>
<td>urban</td>
<td>30,924,7</td>
<td>EUR/person</td>
<td>2010</td>
</tr>
</tbody>
</table>
II Agriculture/Sectorial analysis

13 Employment by economic activity

<table>
<thead>
<tr>
<th>Indicator name</th>
<th>Value</th>
<th>Unit</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>total</td>
<td>1.445,9</td>
<td>1000 persons</td>
<td>2012</td>
</tr>
<tr>
<td>agriculture</td>
<td>179,9</td>
<td>1000 persons</td>
<td>2012</td>
</tr>
<tr>
<td>agriculture</td>
<td>12,4</td>
<td>% of total</td>
<td>2012</td>
</tr>
<tr>
<td>forestry</td>
<td>14,5</td>
<td>1000 persons</td>
<td>2012</td>
</tr>
<tr>
<td>forestry</td>
<td>1</td>
<td>% of total</td>
<td>2012</td>
</tr>
<tr>
<td>food industry</td>
<td>49</td>
<td>1000 persons</td>
<td>2012</td>
</tr>
<tr>
<td>food industry</td>
<td>3,4</td>
<td>% of total</td>
<td>2012</td>
</tr>
<tr>
<td>tourism</td>
<td>82,2</td>
<td>1000 persons</td>
<td>2012</td>
</tr>
<tr>
<td>tourism</td>
<td>5,7</td>
<td>% of total</td>
<td>2012</td>
</tr>
</tbody>
</table>

14 Labour productivity in agriculture

<table>
<thead>
<tr>
<th>Indicator name</th>
<th>Value</th>
<th>Unit</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>total</td>
<td>6.348,9</td>
<td>EUR/AWU</td>
<td>2010 - 2012</td>
</tr>
</tbody>
</table>

15 Labour productivity in forestry

<table>
<thead>
<tr>
<th>Indicator name</th>
<th>Value</th>
<th>Unit</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>total</td>
<td>NA</td>
<td>EUR/AWU</td>
<td>-</td>
</tr>
</tbody>
</table>

16 Labour productivity in the food industry

<table>
<thead>
<tr>
<th>Indicator name</th>
<th>Value</th>
<th>Unit</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>total</td>
<td>17.166,6</td>
<td>EUR/person</td>
<td>2010</td>
</tr>
</tbody>
</table>

17 Agricultural holdings (farms)

<table>
<thead>
<tr>
<th>Indicator name</th>
<th>Value</th>
<th>Unit</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>total</td>
<td>233.280</td>
<td>No</td>
<td>2010</td>
</tr>
<tr>
<td>farm size &lt;2 Ha</td>
<td>122.790</td>
<td>No</td>
<td>2010</td>
</tr>
<tr>
<td>farm size 2-4.9 Ha</td>
<td>55.430</td>
<td>No</td>
<td>2010</td>
</tr>
<tr>
<td>farm size 5-9.9 Ha</td>
<td>30.240</td>
<td>No</td>
<td>2010</td>
</tr>
<tr>
<td>farm size 10-19.9 Ha</td>
<td>13.880</td>
<td>No</td>
<td>2010</td>
</tr>
<tr>
<td>farm size 20-29.9 Ha</td>
<td>4.330</td>
<td>No</td>
<td>2010</td>
</tr>
<tr>
<td>farm size 30-49.9 Ha</td>
<td>3.470</td>
<td>No</td>
<td>2010</td>
</tr>
<tr>
<td>farm size 50-99.9 Ha</td>
<td>2.290</td>
<td>No</td>
<td>2010</td>
</tr>
<tr>
<td>farm size &gt;100 Ha</td>
<td>850</td>
<td>No</td>
<td>2010</td>
</tr>
<tr>
<td>farm economic size &lt;2000 Standard Output (SO)</td>
<td>89.480</td>
<td>No</td>
<td>2010</td>
</tr>
<tr>
<td>farm economic size 2.000 - 3.999 SO</td>
<td>51.540</td>
<td>No</td>
<td>2010</td>
</tr>
<tr>
<td>farm economic size 4.000 - 7.999 SO</td>
<td>41.540</td>
<td>No</td>
<td>2010</td>
</tr>
<tr>
<td>farm economic size 8.000 - 14.999 SO</td>
<td>24.430</td>
<td>No</td>
<td>2010</td>
</tr>
<tr>
<td>farm economic size 15.000 - 24.999 SO</td>
<td>11.880</td>
<td>No</td>
<td>2010</td>
</tr>
<tr>
<td>farm economic size 25.000 - 49.999 SO</td>
<td>8.800</td>
<td>No</td>
<td>2010</td>
</tr>
<tr>
<td>farm economic size 50.000 - 99.999 SO</td>
<td>3.860</td>
<td>No</td>
<td>2010</td>
</tr>
<tr>
<td>farm economic size 100.000 - 249.999 SO</td>
<td>1.380</td>
<td>No</td>
<td>2010</td>
</tr>
<tr>
<td>farm economic size 250.000 - 499.999 SO</td>
<td>200</td>
<td>No</td>
<td>2010</td>
</tr>
<tr>
<td>farm economic size &gt; 500.000 SO</td>
<td>160</td>
<td>No</td>
<td>2010</td>
</tr>
<tr>
<td>average physical size</td>
<td>5,6</td>
<td>ha UAA/holding</td>
<td>2010</td>
</tr>
<tr>
<td>average economic size</td>
<td>9.064,92</td>
<td>EUR of SO/holding</td>
<td>2010</td>
</tr>
<tr>
<td>Indicator name</td>
<td>Value</td>
<td>Unit</td>
<td>Year</td>
</tr>
<tr>
<td>--------------------------------------------------</td>
<td>--------------</td>
<td>---------------</td>
<td>------</td>
</tr>
<tr>
<td>average size in labour units (persons)</td>
<td>2,2</td>
<td>Persons/holding</td>
<td>2010</td>
</tr>
<tr>
<td>average size in labour units (AWU)</td>
<td>0,8</td>
<td>AWU/holding</td>
<td>2010</td>
</tr>
</tbody>
</table>

### 18 Agricultural Area

<table>
<thead>
<tr>
<th>Indicator name</th>
<th>Value</th>
<th>Unit</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>total UAA</td>
<td>1,316,010</td>
<td>ha</td>
<td>2010</td>
</tr>
<tr>
<td>arable</td>
<td>68</td>
<td>% of total UAA</td>
<td>2010</td>
</tr>
<tr>
<td>permanent grassland and meadows</td>
<td>25,8</td>
<td>% of total UAA</td>
<td>2010</td>
</tr>
<tr>
<td>permanent crops</td>
<td>5,9</td>
<td>% of total UAA</td>
<td>2010</td>
</tr>
</tbody>
</table>

### 19 Agricultural area under organic Farming

<table>
<thead>
<tr>
<th>Indicator name</th>
<th>Value</th>
<th>Unit</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>certified</td>
<td>8,920</td>
<td>ha UAA</td>
<td>2010</td>
</tr>
<tr>
<td>in conversion</td>
<td>10,950</td>
<td>ha UAA</td>
<td>2010</td>
</tr>
<tr>
<td>share of UAA (both certified and conversion)</td>
<td>1,5</td>
<td>% of total UAA</td>
<td>2010</td>
</tr>
</tbody>
</table>

### 20 Irrigated Land

<table>
<thead>
<tr>
<th>Indicator name</th>
<th>Value</th>
<th>Unit</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>total</td>
<td>14,480</td>
<td>ha</td>
<td>2010</td>
</tr>
<tr>
<td>share of UAA</td>
<td>1,1</td>
<td>% of total UAA</td>
<td>2010</td>
</tr>
</tbody>
</table>

### 21 Livestock units

<table>
<thead>
<tr>
<th>Indicator name</th>
<th>Value</th>
<th>Unit</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>total</td>
<td>1,020,180</td>
<td>LSU</td>
<td>2010</td>
</tr>
</tbody>
</table>

### 22 Farm labour force

<table>
<thead>
<tr>
<th>Indicator name</th>
<th>Value</th>
<th>Unit</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>total regular farm labour force</td>
<td>513,680</td>
<td>Persons</td>
<td>2010</td>
</tr>
<tr>
<td>total regular farm labour force</td>
<td>179,290</td>
<td>AWU</td>
<td>2010</td>
</tr>
</tbody>
</table>

### 23 Age structure of farm managers

<table>
<thead>
<tr>
<th>Indicator name</th>
<th>Value</th>
<th>Unit</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>total number of farm managers</td>
<td>233,280</td>
<td>No</td>
<td>2010</td>
</tr>
<tr>
<td>share of &lt; 35 y</td>
<td>4,1</td>
<td>% of total managers</td>
<td>2010</td>
</tr>
<tr>
<td>ratio &lt;35 / &gt;= 55 y</td>
<td>7</td>
<td>No of young managers by 100 elderly managers</td>
<td>2010</td>
</tr>
</tbody>
</table>

### 24 Agricultural training of farm managers

<table>
<thead>
<tr>
<th>Indicator name</th>
<th>Value</th>
<th>Unit</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>share of total managers with basic and full agricultural training</td>
<td>5</td>
<td>% of total</td>
<td>2010</td>
</tr>
<tr>
<td>share of manager &lt; 35 y with basic and full agricultural training</td>
<td>11,7</td>
<td>% of total</td>
<td>2010</td>
</tr>
</tbody>
</table>

### 25 Agricultural factor income

<table>
<thead>
<tr>
<th>Indicator name</th>
<th>Value</th>
<th>Unit</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>total</td>
<td>3,509,2</td>
<td>EUR/AWU</td>
<td>2012</td>
</tr>
<tr>
<td>total (index)</td>
<td>101</td>
<td>Index 2005 = 100</td>
<td>2012</td>
</tr>
</tbody>
</table>

### 26 Agricultural Entrepreneurial Income

<table>
<thead>
<tr>
<th>Indicator name</th>
<th>Value</th>
<th>Unit</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard of living of farmers</td>
<td>2,957,5</td>
<td>EUR/AWU</td>
<td>2012</td>
</tr>
<tr>
<td>Standard of living of farmers as a share of the standard of living of persons employed in other sectors</td>
<td>NA</td>
<td>%</td>
<td></td>
</tr>
</tbody>
</table>

### 27 Total factor productivity in agriculture

<table>
<thead>
<tr>
<th>Indicator name</th>
<th>Value</th>
<th>Unit</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>total (index)</td>
<td>NA</td>
<td>Index 2005 = 100</td>
<td></td>
</tr>
</tbody>
</table>

### 28 Gross fixed capital formation in agriculture

<table>
<thead>
<tr>
<th>Indicator name</th>
<th>Value</th>
<th>Unit</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>GFCF</td>
<td>269,87</td>
<td>EUR million</td>
<td>2011</td>
</tr>
<tr>
<td>Indicator name</td>
<td>Value</td>
<td>Unit</td>
<td>Year</td>
</tr>
<tr>
<td>---------------------------------------------------</td>
<td>-------</td>
<td>---------------</td>
<td>------</td>
</tr>
<tr>
<td>share of GVA in agriculture</td>
<td>14,6</td>
<td>% of GVA in agriculture</td>
<td>2011</td>
</tr>
</tbody>
</table>

29 Forest and other wooded land (FOWL) (000)

<table>
<thead>
<tr>
<th>Indicator name</th>
<th>Value</th>
<th>Unit</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>total</td>
<td>2,474</td>
<td>1000 ha</td>
<td>2010</td>
</tr>
<tr>
<td>share of total land area</td>
<td>43,7</td>
<td>% of total land area</td>
<td>2010</td>
</tr>
</tbody>
</table>

30 Tourism infrastructure

<table>
<thead>
<tr>
<th>Indicator name</th>
<th>Value</th>
<th>Unit</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>bed-places in collective establishments</td>
<td>437,758</td>
<td>No of bed-places</td>
<td>2011</td>
</tr>
<tr>
<td>rural</td>
<td>67,2</td>
<td>% of total</td>
<td>2011</td>
</tr>
<tr>
<td>intermediate</td>
<td>30,2</td>
<td>% of total</td>
<td>2011</td>
</tr>
<tr>
<td>urban</td>
<td>2,6</td>
<td>% of total</td>
<td>2011</td>
</tr>
</tbody>
</table>
### III Environment/climate

#### 31 Land Cover

<table>
<thead>
<tr>
<th>Indicator name</th>
<th>Value</th>
<th>Unit</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>share of agricultural land</td>
<td>40.1</td>
<td>% of total area</td>
<td>2006</td>
</tr>
<tr>
<td>share of natural grassland</td>
<td>4.4</td>
<td>% of total area</td>
<td>2006</td>
</tr>
<tr>
<td>share of forestry land</td>
<td>3.6</td>
<td>% of total area</td>
<td>2006</td>
</tr>
<tr>
<td>share of transitional woodland shrub</td>
<td>10.4</td>
<td>% of total area</td>
<td>2006</td>
</tr>
<tr>
<td>share of natural land</td>
<td>4.2</td>
<td>% of total area</td>
<td>2006</td>
</tr>
<tr>
<td>share of artificial land</td>
<td>3.1</td>
<td>% of total area</td>
<td>2006</td>
</tr>
<tr>
<td>share of other area</td>
<td>1.7</td>
<td>% of total area</td>
<td>2006</td>
</tr>
</tbody>
</table>

#### 32 Areas with Natural Constraints

<table>
<thead>
<tr>
<th>Indicator name</th>
<th>Value</th>
<th>Unit</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>total</td>
<td>NA</td>
<td>% of total UAA</td>
<td></td>
</tr>
<tr>
<td>mountain</td>
<td>NA</td>
<td>% of total UAA</td>
<td></td>
</tr>
<tr>
<td>other</td>
<td>NA</td>
<td>% of total UAA</td>
<td></td>
</tr>
<tr>
<td>specific</td>
<td>NA</td>
<td>% of total UAA</td>
<td></td>
</tr>
</tbody>
</table>

#### 33 Farming intensity

<table>
<thead>
<tr>
<th>Indicator name</th>
<th>Value</th>
<th>Unit</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>low intensity</td>
<td>NA</td>
<td>% of total UAA</td>
<td></td>
</tr>
<tr>
<td>medium intensity</td>
<td>NA</td>
<td>% of total UAA</td>
<td></td>
</tr>
<tr>
<td>high intensity</td>
<td>NA</td>
<td>% of total UAA</td>
<td></td>
</tr>
<tr>
<td>grazing</td>
<td>12.4</td>
<td>% of total UAA</td>
<td>2010</td>
</tr>
</tbody>
</table>

#### 34 Natura 2000 areas

<table>
<thead>
<tr>
<th>Indicator name</th>
<th>Value</th>
<th>Unit</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>share of the territory</td>
<td>NA</td>
<td>% of territory</td>
<td></td>
</tr>
<tr>
<td>share of UAA (incl. natural grassland)</td>
<td>NA</td>
<td>% of UAA</td>
<td></td>
</tr>
<tr>
<td>share of total forestry area</td>
<td>NA</td>
<td>% of forest area</td>
<td></td>
</tr>
</tbody>
</table>

#### 35 Farmland Birds index (FBI)

<table>
<thead>
<tr>
<th>Indicator name</th>
<th>Value</th>
<th>Unit</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>total (index)</td>
<td>NA</td>
<td>Index 2000 = 100</td>
<td></td>
</tr>
</tbody>
</table>

#### 36 Conservation status of agricultural habitats (grassland)

<table>
<thead>
<tr>
<th>Indicator name</th>
<th>Value</th>
<th>Unit</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>favourable</td>
<td>NA</td>
<td>% of assessments of habitats</td>
<td></td>
</tr>
<tr>
<td>unfavourable - inadequate</td>
<td>NA</td>
<td>% of assessments of habitats</td>
<td></td>
</tr>
<tr>
<td>unfavourable - bad</td>
<td>NA</td>
<td>% of assessments of habitats</td>
<td></td>
</tr>
<tr>
<td>unknown</td>
<td>NA</td>
<td>% of assessments of habitats</td>
<td></td>
</tr>
</tbody>
</table>

#### 37 HNV Farming

<table>
<thead>
<tr>
<th>Indicator name</th>
<th>Value</th>
<th>Unit</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>total</td>
<td>NA</td>
<td>% of total UAA</td>
<td></td>
</tr>
</tbody>
</table>

#### 38 Protected Forest

<table>
<thead>
<tr>
<th>Indicator name</th>
<th>Value</th>
<th>Unit</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>class 1.1</td>
<td>2.1</td>
<td>% of FOWL area</td>
<td>2011</td>
</tr>
<tr>
<td>class 1.2</td>
<td>0.4</td>
<td>% of FOWL area</td>
<td>2011</td>
</tr>
<tr>
<td>class 1.3</td>
<td>8.6</td>
<td>% of FOWL area</td>
<td>2011</td>
</tr>
</tbody>
</table>
### 39 Water Abstraction in Agriculture

<table>
<thead>
<tr>
<th>Indicator name</th>
<th>Value</th>
<th>Unit</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>total</td>
<td>30,281,2</td>
<td>1000 m3</td>
<td>2010</td>
</tr>
</tbody>
</table>

### 40 Water Quality

<table>
<thead>
<tr>
<th>Indicator name</th>
<th>Value</th>
<th>Unit</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Potential surplus of nitrogen on agricultural land</td>
<td>NA</td>
<td>kg N/ha/year</td>
<td></td>
</tr>
<tr>
<td>Potential surplus of phosphorus on agricultural land</td>
<td>NA</td>
<td>kg P/ha/year</td>
<td></td>
</tr>
<tr>
<td>Nitrates in freshwater - Surface water: High quality</td>
<td>NA</td>
<td>% of monitoring sites</td>
<td></td>
</tr>
<tr>
<td>Nitrates in freshwater - Surface water: Moderate quality</td>
<td>NA</td>
<td>% of monitoring sites</td>
<td></td>
</tr>
<tr>
<td>Nitrates in freshwater - Surface water: Poor quality</td>
<td>NA</td>
<td>% of monitoring sites</td>
<td></td>
</tr>
<tr>
<td>Nitrates in freshwater - Groundwater: High quality</td>
<td>NA</td>
<td>% of monitoring sites</td>
<td></td>
</tr>
<tr>
<td>Nitrates in freshwater - Groundwater: Moderate quality</td>
<td>NA</td>
<td>% of monitoring sites</td>
<td></td>
</tr>
<tr>
<td>Nitrates in freshwater - Groundwater: Poor quality</td>
<td>NA</td>
<td>% of monitoring sites</td>
<td></td>
</tr>
</tbody>
</table>

### 41 Soil organic matter in arable land

<table>
<thead>
<tr>
<th>Indicator name</th>
<th>Value</th>
<th>Unit</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total estimates of organic carbon content</td>
<td>NA</td>
<td>mega tons</td>
<td></td>
</tr>
<tr>
<td>Mean organic carbon content</td>
<td>NA</td>
<td>g kg-1</td>
<td></td>
</tr>
</tbody>
</table>

### 42 Soil Erosion by water

<table>
<thead>
<tr>
<th>Indicator name</th>
<th>Value</th>
<th>Unit</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate of soil loss by water erosion</td>
<td>3,2</td>
<td>tonnes/ha/year</td>
<td>2006</td>
</tr>
<tr>
<td>Agricultural area affected</td>
<td>159,6</td>
<td>1000 ha</td>
<td>2006 - 2007</td>
</tr>
<tr>
<td>Agricultural area affected</td>
<td>6,3</td>
<td>% of agricultural area</td>
<td>2006 - 2007</td>
</tr>
</tbody>
</table>

### 43 Production of renewable Energy from agriculture and forestry

<table>
<thead>
<tr>
<th>Indicator name</th>
<th>Value</th>
<th>Unit</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>from agriculture</td>
<td>NA</td>
<td>kToe</td>
<td></td>
</tr>
<tr>
<td>from forestry</td>
<td>473</td>
<td>kToe</td>
<td>2010</td>
</tr>
</tbody>
</table>

### 44 Energy use in agriculture, forestry and food industry

<table>
<thead>
<tr>
<th>Indicator name</th>
<th>Value</th>
<th>Unit</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture and forestry</td>
<td>192</td>
<td>kToe</td>
<td>2011</td>
</tr>
<tr>
<td>Use per ha (agriculture and forestry)</td>
<td>50,5</td>
<td>kg of oil equivalent per ha of UAA</td>
<td>2011</td>
</tr>
<tr>
<td>Food industry</td>
<td>246</td>
<td>kToe</td>
<td>2011</td>
</tr>
</tbody>
</table>

### 45 GHG emissions from agriculture

<table>
<thead>
<tr>
<th>Indicator name</th>
<th>Value</th>
<th>Unit</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total agriculture (CH4 and N2O and soil emissions/removals)</td>
<td>NA</td>
<td>1000 t of CO2 equivalent</td>
<td></td>
</tr>
<tr>
<td>Share of total GHG Emissions</td>
<td>NA</td>
<td>% of total net emissions</td>
<td></td>
</tr>
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</table>
### 4.2. Needs assessment

<table>
<thead>
<tr>
<th>Title (or reference) of the need</th>
<th>P1</th>
<th>P2</th>
<th>P3</th>
<th>P4</th>
<th>P5</th>
<th>P6</th>
<th>Cross cutting objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1A</td>
<td>1B</td>
<td>1C</td>
<td>2A</td>
<td>2B</td>
<td>3A</td>
<td>3B</td>
</tr>
<tr>
<td>Need 01. Increasing the degree of professional competence, awareness and knowledge transfer</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Need 02. Enhancing agriculture and forestry advisory services</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Need 03. Fostering cooperation between the research system and rural economy to develop, implement and disseminate innovation</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
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<tr>
<td>Need 04. Improving management of forests in private ownership</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
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<tr>
<td>Need 05. Generational renewal in the agricultural sector</td>
<td></td>
<td></td>
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<td>Need 06. Strengthening the sustainability of farms with structural problems and changing the agricultural production structure</td>
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<td>X</td>
<td>X</td>
<td></td>
<td></td>
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<tr>
<td>Need 07. Increasing the competitiveness of the processing and marketing of the agricultural products sector</td>
<td>X</td>
<td></td>
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<tr>
<td>Need 08. Consolidation of agricultural and forest land</td>
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<td></td>
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<tr>
<td>Need 09. Construction of access roads in agriculture and forestry</td>
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<td>Need 10. Increasing the efficient use of water in agriculture and adapting to climate</td>
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<td>X</td>
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<tr>
<td>Need 11. Better risk management in agriculture</td>
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<td>X</td>
<td></td>
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<tr>
<td>Need 12. Organizing of producers and their stronger market positioning</td>
<td>X</td>
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<td>X</td>
<td>X</td>
<td>X</td>
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<tr>
<td>Need 13. Development of quality system and greater involvement of manufacturers in quality schemes</td>
<td>X</td>
<td></td>
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<tr>
<td>Need 14. Soil erosion prevention and increasing of soil fertility and soil organic matter</td>
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<td></td>
<td></td>
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<td>X</td>
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<tr>
<td>Need 15. Maintenance of water, soil and air quality</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
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<td>Need 16. Conservation of landscape and biodiversity</td>
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<td>X</td>
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<tr>
<td>Need 17. Maintenance of continuity of agricultural production in areas with natural and specific limitations for agriculture</td>
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<td>Need 18. Reforestation of forest areas by conversion and plant breeding</td>
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<td>X</td>
<td>X</td>
<td>X</td>
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<td>Need 19. Modernization of technologies, machines and equipment to perform forestry works and wood processing</td>
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<td>X</td>
<td>X</td>
<td>X</td>
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<tr>
<td>Need 20. Increasing level of production and usage of energy from renewable sources</td>
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<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
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<td>X</td>
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<td>X</td>
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<td>Need 22. Further development and strengthening of local development initiatives</td>
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<td>X</td>
<td>X</td>
<td>X</td>
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<td>Need 23. Diversification of activities and</td>
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<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
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<tr>
<td>Creation of new jobs in rural areas</td>
<td></td>
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<tr>
<td>Need 24. Development of local utilities, tourist and road infrastructure</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Need 25. Development of basic services for rural population</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>
4.2.1. Need 01. Increasing the degree of professional competence, awareness and knowledge transfer

Priorities/Focus Areas

- 1A) Fostering innovation, cooperation, and the development of the knowledge base in rural areas
- 1C) Fostering lifelong learning and vocational training in the agricultural and forestry sectors
- 5E) Fostering carbon conservation and sequestration in agriculture and forestry

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation
- Innovation

Description

The educational level in the agriculture, food industry, forestry (privately owned forests) sectors and rural areas is very low. Although there is a well-developed system of educational institutions in Croatia, in rural areas, the proportion of adults with only primary education ranges from 20%-35% and 95% of farmers have no vocational agricultural education whatsoever; furthermore there is a lack of informal education programmes and appropriate vocational training for farmers, employees in the agricultural and food-processing sectors and the private forestry owners. Poor use of information technology is evident, which is a barrier to access skills development opportunities. Due to ignorance, outdated technology results in lower productivity, economic viability and adverse environmental impact. A lack of economic and financial knowledge is reflected in mismanagement of short-term and long-term assets, poor financial management and investment risk increase.

There is a still insufficiently developed system for knowledge transfer that would, through workshops, seminars, demonstration activities and exchange of peer experiences and practices, continuously and fully acquaint farmers and producers with the best and latest solutions and experiences to foster the take-up of innovation, but also of the necessity of managing agricultural and forest ecosystems in a sustainable and environmentally acceptable manner, also enabling adaptation to climate change.

All this has a direct negative impact on the development and improvement of agriculture, the rural economy and the quality of rural life. It weakens their economic and environmental effectiveness and represents the limit of their adaptation to the EU market.

4.2.2. Need 02. Enhancing agriculture and forestry advisory services

Priorities/Focus Areas

- 1A) Fostering innovation, cooperation, and the development of the knowledge base in rural areas
- 1C) Fostering lifelong learning and vocational training in the agricultural and forestry sectors

Cross cutting objectives
• Environment
• Climate change mitigation and adaptation
• Innovation

Description

In conditions of increasing specialization and strict environmental requirements in agriculture, food production and food processing industry and forestry, tailored and qualified individual advice on the use of new technologies, as well as approaches and techniques for mitigation and adaptation to climate change is needed to improve the sustainable management of natural resources and the economic and environmental performance of farms and forest holdings.

New requirements lie before farmers and forest owners in Croatia thereby widening the role of Advisory Services such as the reduction in pesticide use in accordance with the National Action Plan, the protection of soil and water, animal health and welfare, the implementation of agri-environmental measures, reducing air pollution, management of Natura 2000 areas, etc., Currently, the Advisory Service is providing assistance and services to rural stakeholders with reference to IPARD measures through its well-distributed network of county offices. However, given the significant widening of the scope of support in the RDP, including to new sectors such as the forestry sector, and the need to provide RDP beneficiaries with tailored advice on the use of new technologies, responsible management of natural resources as well as mitigation and adaptation to climate change, the provision of advisory services will need to be increased. Furthermore, specific training for those providing advisory services given the new requirements and wider scope of activities listed above is necessary.

4.2.3. Need 03. Fostering cooperation between the research system and rural economy to develop, implement and disseminate innovation

Priorities/Focus Areas

• 1A) Fostering innovation, cooperation, and the development of the knowledge base in rural areas
• 1B) Strengthening the links between agriculture, food production and forestry and research and innovation, including for the purpose of improved environmental management and performance
• 2A) Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification
• 2B) Facilitating the entry of adequately skilled farmers into the agricultural sector and, in particular, generational renewal
• 3A) Improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and inter-branch organisations
• 3B) Supporting farm risk prevention and management
• 4A) Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints and high nature value farming, as well as the state
of European landscapes
• 4B) Improving water management, including fertiliser and pesticide management
• 4C) Preventing soil erosion and improving soil management
• 5A) Increasing efficiency in water use by agriculture
• 5B) Increasing efficiency in energy use in agriculture and food processing
• 5C) Facilitating the supply and use of renewable sources of energy, of by products, wastes, residues and other non food raw material for the purposes of the bio-economy
• 5D) Reducing green house gas and ammonia emissions from agriculture
• 5E) Fostering carbon conservation and sequestration in agriculture and forestry

Cross cutting objectives

• Environment
• Climate change mitigation and adaptation
• Innovation

Description

There is very weak collaboration between the research sector, farmers and the food-processing sector, with limited contacts between them, resulting in a low availability, take-up and use of innovation as well as lack of interest in the development of innovation projects. Agricultural producers and the food-processing industry are faced with great challenges posed by competitive market and increasing consumer demand for new products. Cooperation between researchers, entrepreneurs, non-governmental organizations to innovate methods and processes and develop new products for the market is necessary. Cooperation will ensure the exchange of knowledge and information on innovative technologies, production and processing unfamiliar in the Croatian rural sector and in practice ensure increased productivity, economic viability, sustainability and resource efficiency in the agriculture and forestry sector. Operational groups will facilitate the transfer of innovation from the research sector to practice. Given the fact that no Operational Groups currently exist and the lack of cooperation experience between rural stakeholders and research actors, there is a need for innovation brokerage to foster the initial collaboration setup.

Through the RDP (networks and operational groups), cooperation in INTERREG Europe (thematic platforms) and other Cooperation programmes and thematic networks foreseen under Horizon 2020, knowledge exchange can better orientate R&D activities and improve innovation transfer which could affect not only technological and productive areas but also the organisational sphere.

4.2.4. Need 04. Improving management of forests in private ownership

Priorities/Focus Areas

• 1A) Fostering innovation, cooperation, and the development of the knowledge base in rural areas
• 1B) Strengthening the links between agriculture, food production and forestry and research and
innovation, including for the purpose of improved environmental management and performance

- 4A) Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints and high nature value farming, as well as the state of European landscapes
- 4B) Improving water management, including fertiliser and pesticide management
- 4C) Preventing soil erosion and improving soil management
- 5C) Facilitating the supply and use of renewable sources of energy, of by products, wastes, residues and other non food raw material for the purposes of the bio-economy
- 5E) Fostering carbon conservation and sequestration in agriculture and forestry

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation

Description

In Croatia, 60% of private forests do not have forest management plans, which are the basic prerequisite for their sustainable management. By developing forest management plans to ensure revenue stability and ecologically and socially responsible forest management while preserving and enhancing biodiversity, the forest shall function for the public benefit and the long-term economic value of forest ecosystems.

Only a small number of private forests have sustainable management certification (FSC) and a low number of wood and non-wood forest products (mushrooms, herbs, forest fruits, etc.) are certified as organic. Thus, on the basis of quality, a professional background conversion process need to be initiated, converting degraded forests into stable forest ecosystems with richer biodiversity and public benefit and long-term economic functions, more resistant to biotic and abiotic influences while providing maximum protection and responding to the needs of forest owners.

4.2.5. Need 05. Generational renewal in the agricultural sector

Priorities/Focus Areas

- 2B) Facilitating the entry of adequately skilled farmers into the agricultural sector and, in particular, generational renewal

Cross cutting objectives

- Environment
- Innovation

Description

The age profile of farmers in Croatia is very unfavourable. Over 58.8% of holders of family agricultural holdings are over 55 and only 4.1% under 35. The economic crisis and the previous wartime events have
contributed to migratory movements from rural to urban areas, particularly of the younger population, resulting in a general decline in the rural population and an increase in the ageing population. This poses a serious threat to the further development and even survival of the rural areas themselves. Young people are a key resource for the development of a modern and competitive agricultural sector, primarily because of their willingness and ability to adapt easily to technological changes, new practices and changing market conditions which is a requirement to increase productivity and competitiveness. Consequently, generational renewal needs to be fostered in agricultural holdings. The development of agriculture and diversification of agricultural holdings will contribute to the retention and employment of young people in agriculture thereby reducing the negative trend of uncontrolled migration to the cities. From this stems the need to create conditions to foster the participation of young people in the agricultural sector, creating better and more attractive living and working conditions for young people who want to be farmers, providing assistance in using new technologies and creating a positive and dynamic climate for entrepreneurship in agriculture.

4.2.6. Need 06. Strengthening the sustainability of farms with structural problems and changing the agricultural production structure

Priorities/Focus Areas

- 2A) Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification
- 2B) Facilitating the entry of adequately skilled farmers into the agricultural sector and, in particular, generational renewal
- 3A) Improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and inter-branch organisations
- 5A) Increasing efficiency in water use by agriculture
- 5B) Increasing efficiency in energy use in agriculture and food processing
- 5C) Facilitating the supply and use of renewable sources of energy, of by products, wastes, residues and other non food raw material for the purposes of the bio-economy
- 5D) Reducing green house gas and ammonia emissions from agriculture
- 6B) Fostering local development in rural areas

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation
- Innovation

Description

The farm structure in Croatia contains an extremely large number of small family agricultural holdings (141,020 or 60.05%, with up to EUR 4,000 production value per year), which are on the verge of
economic viability. Due to the economic crisis and lack of quality national level investment funds, these farms are stagnant and falling behind in terms of development, modernization of facilities, equipment, energy efficiency and environmental protection, which is often related to achieving Community standards. At the same time, these farms are very important from the standpoint of the total agricultural production in Croatia, given that they possess significant resources. They have access to 14.98% of utilised agricultural area, 13.71% of livestock, and participate with 11.33% of the value of agricultural production in Croatia.

Small agricultural holdings are also important in terms of the rural population, conservation and environmental protection, population and cultural heritage of rural communities and the production of local products.

Furthermore, Croatian agriculture is characterized by a disproportionately large production of grains, corn and other low-profit crops compared to an insufficient production of high-profit, labour-intensive crops such as vegetables and fruits (only 3% of the cultivated area) whose production does not cover the needs of the population, food processing industry and tourism. The same applies to oilseeds as well as milk and meat, except for poultry. A general problem in both primary and secondary production is insufficient monitoring and introduction of new techniques and technologies that directly affect the quality and price of the final product.

4.2.7. Need 07. Increasing the competitiveness of the processing and marketing of the agricultural products sector

Priorities/Focus Areas

- 2A) Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification
- 5B) Increasing efficiency in energy use in agriculture and food processing
- 5C) Facilitating the supply and use of renewable sources of energy, of by products, wastes, residues and other non food raw material for the purposes of the bio-economy

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation
- Innovation

Description

Croatia is a net importer of agri-food products. The causes range from high production costs, the farm structure and specialization in primary agricultural production, the lack of connections with the food-processing sector, insufficient and poorly equipped processing capacities to the lack of economies of scale, inadequate warehousing and logistics facilities in the purchase and sale chains and a small number and low diversity of products.
The food processing industry is important in terms of overall employment for the rural population. Enabling support for investments for micro-enterprises and SMEs can directly increase rural employment, and indirectly spur additional employment in primary production through increased demand for raw materials.

Until July 2013, the CEFTA market covered approximately 45% of the export market for agricultural and food-processing industries. With entry to the EU, an expected decrease in CEFTA exports occurred: there is an urgent need to focus on new markets, creating recognizable products for the EU and global market and establish an effective system of marking products and stronger marketing of Croatian agri-food products.

To achieve a competitive position, investment in the modernization of the processing of agri-food products needs to be increased to improve production efficiency. This requires improving technological processes and introducing new technologies for better process control, an efficient use of raw materials, the reduction of energy consumption and improvement of energy efficiency, reducing negative environmental impacts while ensuring the protection of the health of humans, animals and plants, as well as investments in the training and skills development of holders and employees.

4.2.8. Need 08. Consolidation of agricultural and forest land

Priorities/Focus Areas

• 2A) Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification

Cross cutting objectives

• Environment
• Climate change mitigation and adaptation

Description

The consolidation of agricultural holdings is a key issue in Croatia because the current size and fragmentation of holdings is very disadvantageous and represents the main limiting factor for the viability/profitability of family agricultural holdings and the development of Croatian agriculture. Land property, already excessively small (average 5.6 ha per agricultural holding), is further divided into smaller parcels (the agricultural production of an average agricultural holding was usually carried out on 15 plots – 2012 PAAFRD data).

Procedures of buying and selling, swapping and leasing agricultural land are needed to increase the total area used by a single agricultural holding, namely grouping scattered cadastral parcels of agricultural land into larger and more regular production plots for more cost-effective use and the creation of favourable processing conditions.

The National Plan for Land Consolidation is currently under preparation.
Furthermore, the average size of private forest holdings is only 0.43 ha due to fragmentation and size degradation.

For a good portion of agricultural and forestry production, the size of the property is a critical factor for sustainability. With regard to average size and structure of agricultural holdings in Croatia, this raises the question of their economic viability.

A further need regards the demining of agricultural and forest land: 613.6 km² is currently mine-suspected of which 81% is forest land and 19% agricultural land.

4.2.9. Need 09. Construction of access roads in agriculture and forestry

Priorities/Focus Areas

- 2A) Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification

Cross cutting objectives

- Environment

Description

In general, the road density of agricultural and forest land, regardless of ownership, is insufficient and conditions poor. In private forests, forest road density is very small, amounting to 6.5 km/1000ha. Due to the large number of small plots in agricultural land there is a similar problem with numerous plots as well as a lack of access roads to public roads. The existence of a high-quality network of agricultural and forest roads will contribute to an increase in forest and agricultural production, availability of forest resources, and preservation and enhancement of long-term environmental and economic value of private forests.

4.2.10. Need 10. Increasing the efficient use of water in agriculture and adapting to climate change

Priorities/Focus Areas

- 1C) Fostering lifelong learning and vocational training in the agricultural and forestry sectors
- 2A) Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification
- 4B) Improving water management, including fertiliser and pesticide management
- 5A) Increasing efficiency in water use by agriculture

Cross cutting objectives
• Environment
• Climate change mitigation and adaptation

Description

Croatia is increasingly exposed to extreme weather conditions causing drought and flooding, attributed to climate change, but only a very small proportion of agricultural land is irrigated. Given the Croatian natural resources, which are favourable temperate climate, good soil and rich water resources, irrigation is not carried out to the extent offered by the real opportunities and does not meet its needs. In parallel, drought in Croatia occurs on average every three to five years, and depending on the intensity and duration can reduce crop yields by 20-70%.

Following the adoption of a national strategy in 2004, a target of 65,000 ha of agriculture land by 2020 or 6% was established. By 2011, 1.1% of agricultural land was irrigated. 484,026 ha of agricultural land in Croatia has high or very high suitability or irrigation.

4.2.11. Need 11. Better risk management in agriculture

Priorities/Focus Areas

• 3B) Supporting farm risk prevention and management

Cross cutting objectives

• Environment
• Climate change mitigation and adaptation

Description

Damage caused by abiotic and biotic factors in the agriculture and forestry sector each year is estimated to range from several hundred million to several billion HRK. Only a small portion of this damage is reimbursed through the national support system whereby the state pays compensation after the damage is reported.

Other relevant risks in the agricultural and forestry sector include damage caused by adverse climate change and animal and plants diseases, pest infestation or environmental incidents. Otherwise viable and competitive holdings can become uncompetitive due to just one catastrophic event or cease production altogether. One of the most effective ways to protect against all of these risks is crops, plants and animals insurance, as only in such a way can the damage be compensated in full, which contributes to risk management in the agricultural economy, thereby reducing the potential losses in agriculture and forestry.

4.2.12. Need 12. Organizing of producers and their stronger market positioning

Priorities/Focus Areas
• 3A) Improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and inter-branch organisations

Cross cutting objectives

• Environment

• Climate change mitigation and adaptation

• Innovation

Description

The excessive fragmentation of agricultural holdings and disorganization of producers in the agriculture and forestry sector hinder the supply of the needed quantity and quality of agricultural and forest products in the market. In Croatia, the only form of association historically is cooperatives and their numbers halved in 2011 compared to 2010, also due to the historic negative connotations. Due to the lack of a process for joining agricultural holdings together into higher organizational forms, there is only one producer group registered in Croatia. The high proportion of intermediary sales significantly affects the economic viability of the agricultural economy that is already poor.

Likewise, it is necessary to encourage the cooperation of relevant actors for the development of short supply chains in order to reduce the number of intermediaries between the producer and the final consumer.

4.2.13. Need 13. Development of quality system and greater involvement of manufacturers in quality schemes

Priorities/Focus Areas

• 3A) Improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and inter-branch organisations

Cross cutting objectives

• Environment

Description

The current quality system for agricultural and food products and organic production is not sufficiently developed due to the complexity of the proceedings and insufficient interest of the producers.

12 products are currently in the registration process at EU level, and a further 6 products are registered at national level, and are at the start of the process of registration at EU level. Another 7 products are in the registration process at the national level of which 6 are for PDO and one for PGI. Only a small volume of production of organic products and products have quality marks, due to the fact that members of groups
and associations do not have the financial means to initiate the certification process, and they do not have sufficient resources for marketing and promotional activities in order to achieve a better placement of these products on the market, and consequently the interests of consumers to purchase the products. The above-mentioned reasons have been the main obstacle to the development of quality systems modelled on the developed EU countries despite the potential in Croatia.


Priorities/Focus Areas

- 4C) Preventing soil erosion and improving soil management

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation

Description

Loss of soil and soil fertility due to erosion in Croatia is significantly higher than the EU average, and 23.23% of agricultural land is at high risk of soil erosion.

A particularly negative effect of soil erosion occurs on cultivated soils without vegetation cover for a certain period during the year. The removal of topsoil means the disappearance of the organic matter essential for soil fertility. Forming ridges and gullies makes mechanisation harder and reduces the net surface suitable for usage. Long-term use of synthetic and mineral fertilizers and pesticides has had negative impact on organic components, ultimately impoverishing the soil and reducing the quality of other segments.

To reduce the negative effects of erosion or prevent it entirely, it is necessary to provide vegetation cover throughout the year, especially on slopes. A rich root system of permanent pastures and meadows retains humus reducing the impact of intense rainfall, thus imposing the need to maintain such surfaces. Increasing the land permanently covered with vegetation increases organic matter in the soil, which has an irreplaceable role in the formation of granular structure. This increases aeration, drainage and the water capacity of the soil making humus rich soils less exposed to erosion.

The biggest erosion damage caused by rainfall is visible on arable land; sowing inter row crops and proper soil management will reduce this. For perennial crops on slopes, negative erosion impact is reduced by maintaining vegetation cover between rows as well as the construction and maintenance of terraces.

Furthermore, organic matter retention by encouraging organic and integrated farming is of great importance for additional carbon sequestration.
4.2.15. Need 15. Maintenance of water, soil and air quality

Priorities/Focus Areas

- 4B) Improving water management, including fertiliser and pesticide management
- 4C) Preventing soil erosion and improving soil management
- 5D) Reducing green house gas and ammonia emissions from agriculture

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation

Description

Lack of education and awareness among farmers of the importance and benefits of sustainable management of ecosystems in agriculture has resulted in intensive agricultural practices and over-usage of fertilizers and pesticides with a consequent significant environmental impact. Inappropriate levels of fertilization and improper manure storage are the main ground water nitrate polluters. Together with specific education of farmers, it is necessary to encourage the use of a balanced multiannual fertilization plan corresponding to the real needs of the crop, so optimum rather than maximum amount of fertilizers is used. Inappropriate manure disposal additionally contaminates the soil, water and air so it must be stored properly thereby reducing emissions of greenhouse gases in the atmosphere.

In addition to training on the use and disposal of fertilizers, farmers must receive essential information about the responsible use of pesticides and waste disposal, in order to raise the level of knowledge about agricultural practices and methods that reduce the negative environmental impact of agriculture (organic and integrated farming, the introduction of a wide crop rotation, mulching) which ultimately reduce the impact of agriculture on climate change. Sustainable agricultural production includes reduced energy consumption, thus there is a need to modernize farms through the construction and reconstruction of facilities, purchasing machinery and the application of technology, especially in the livestock sector, which best reduces the emission of greenhouse gases into the atmosphere.

Strengthening cooperation with the scientific community to address these challenges through the take-up of innovation by farmers is also needed.


Priorities/Focus Areas

- 4A) Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints and high nature value farming, as well as the state of European landscapes
- 5E) Fostering carbon conservation and sequestration in agriculture and forestry

Cross cutting objectives
Description

Croatia is exceptionally rich in plant and animal species, and valuable landscape characteristics that are the result of climate and relief diversity, as well as a strong and diverse traditional and cultural heritage.

The genetic potential is very valuable in Croatia, especially from the standpoint of biodiversity and the need to adapt the agriculture to climate change. The priority is to preserve the traditional, plant and animal species which have adapted to local conditions and are the basis for creating new and improving the performance of existing varieties of agricultural plants and breeds of domestic animals.

Over time, depopulation and changes in the local economy, as well as the intensification of agriculture where such activity is still present, have changed the landscape characteristics of the area and reduced biodiversity. Apart from extensive seasonal grazing, the practice of keeping cattle indoors (except sheep), with a decreasing number of animals, has meant grasslands rich in plant and animal species, as well as the open landscapes important for migratory birds, have disappeared over time. The problem is particularly serious in the karst and mountainous areas where shrubs have suppressed the valuable grassland species adapted to survive in the poor soil or in holes between rocks with very little water.

The conservation of natural ecosystems using cultivation methods that reduce the negative pressure of agriculture on the environment is a long-term return, through quality agricultural products as well as improving the quality of life of rural communities.

4.2.17. Need 17. Maintenance of continuity of agricultural production in areas with natural and specific limitations for agriculture

Priorities/Focus Areas

- 4A) Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints and high nature value farming, as well as the state of European landscapes

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation

Description

Severe climatic or pedological conditions put farmers who are working and living in these areas in a disadvantaged position compared to the rest of the country.

In areas with constraints, costs are higher and yields lower, so the interest in agriculture is declining and volume of agricultural production decreases. The consequence of a reduced interest in agriculture is a
gradual change in the appearance of the landscape which is changing the biodiversity of the area.

The ultimate negative effect is the fact that people leave and the rural area decays beyond repair. The distinctiveness of the rural area is a result not only of the landscape, but also of its traditional life, so the decay of rural area impoverishes the cultural wealth of Croatia.

The continuation of agricultural production in these areas, especially with environmentally-sensitive cultivation methods, enriches the landscape and biodiversity in general. The development of new products, the fostering of producers groups and the exchange of experience between counties can provide an additional incentive for agricultural production in these areas.

4.2.18. Need 18. Reforestation of forest areas by conversion and plant breeding

Priorities/Focus Areas

- 4A) Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints and high nature value farming, as well as the state of European landscapes
- 4B) Improving water management, including fertiliser and pesticide management
- 4C) Preventing soil erosion and improving soil management
- 5E) Fostering carbon conservation and sequestration in agriculture and forestry

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation

Description

The most important role of forests, beside their economic function, is ensuring the environmental and social services which ecosystems provide for people and the environment.

Degradation forms of forest stands cover over a million ha representing 43.86% of total forest area in Croatia. In private woods, beside the high share of coppice forests (48%), there is a substantial area of stands which, due to bad management in the past, have lost the optimal proportion of primary types of trees and most favourable stand structure and have taken the form of different degradation stands which lack the primary type of trees. Such stands have poor resilience towards the current general climate change. Furthermore, forest cultures in Croatia (70.021 ha), due to the prevalence of only one type of tree, are very vulnerable with respect to resilience towards climate changes and actions of unfavourable biotic and abiotic factors when compared to stable high mixed forests consisting of indigenous types of trees.

The most stable, resilient and environmentally most valuable forest elements are climatogenetic forest communities which belong to an environmental optimum. High forests, which contain the optimal part of primary climatogenetic and secondary types of wood, bushes and bottom layer plants, represent the terminal phase of vegetative succession and thus the most valuable forest stands in terms of these services.
they provide, and considering long-term benefits, economically. Unlike degraded forms of forest stands, well-formed forest stands are more resilient to unfavourable climate changes and actions of other harmful biotic and abiotic factors.

4.2.19. Need 19. Modernization of technologies, machines and equipment to perform forestry works and wood processing

Priorities/Focus Areas

- 5C) Facilitating the supply and use of renewable sources of energy, of by products, wastes, residues and other non food raw material for the purposes of the bio-economy
- 5E) Fostering carbon conservation and sequestration in agriculture and forestry
- 6A) Facilitating diversification, creation and development of small enterprises, as well as job creation

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation
- Innovation

Description

Due to an ever growing demand for wood, it is necessary to increase the productivity and efficiency of the wood supply and pre-processing phase, but also protect and preserve forest ecosystems. It is also necessary to introduce new techniques and technologies as well as apply and develop innovations in the sector. Since large areas in Croatia are under forests, the forestry sector represents a significant source of employment, especially in rural areas. Private entrepreneurs in wood supply (326 licensed entrepreneurs) and SMEs in the pre-processing phase (1,331), due to the expensive purchasing price of machines, tools and equipment, risk using poorly efficient, environmentally unfavourable, dangerous and environmentally hazardous machines, tools and procedures which cause occasional excessive degradations of forest ecosystems, health impairment to workers, reduction of competitiveness and a substantial decrease in employment in the wood processing industry. From 1990 to 2011 the number of people employed decreased by almost 70%. Because of the large share of degraded forest stands in private forests, especially coppice forests (278 554 ha) which make up 48% of private forests in Croatia, it is necessary to ensure the availability of economically and environmentally acceptable machines for private forest owners, by means of which they can prepare the soil properly for planting forest type of trees in order to transform coppice forests into high forests.

4.2.20. Need 20. Increasing level of production and usage of energy from renewable sources

Priorities/Focus Areas

- 1A) Fostering innovation, cooperation, and the development of the knowledge base in rural areas
Cross cutting objectives

- Environment
- Climate change mitigation and adaptation
- Innovation

Description

Renewable energy resources in Croatia are used for generating thermal and electrical energy. Water energy is used mostly for generating electrical energy, while other sources are rarely used, in particular sun, wind and biomass. Increasing the use of renewable energy resources is one of the strategic priorities of Croatia regarding its dependence on energy-generating products, energy safety and environmental protection; they represent a development opportunity for domestic industry through the creation of new jobs as well as being the only feasible alternative to fossil fuels. Furthermore, Croatia has almost ideal insolation and climatic conditions to exploit solar energy.

In the Energy Strategy of the Republic of Croatia, the share of renewable energy resources in final energy consumption in 2020 is planned as 20%. Croatia has satisfactory quantities of biomass which represents the most complex form of renewable energy resources, since as raw material it includes forests and agricultural biomass obtained during production processes etc. as well as the possibility to produce biogas where manure is used, green waste, organic waste from sludge which evolves during waste water treatment etc.

4.2.21. Need 21. Increase of forest biomass production

Priorities/Focus Areas

- 5C) Facilitating the supply and use of renewable sources of energy, of by products, wastes, residues and other non food raw material for the purposes of the bio-economy
- 5E) Fostering carbon conservation and sequestration in agriculture and forestry
- 6A) Facilitating diversification, creation and development of small enterprises, as well as job creation

Cross cutting objectives
In the Energy strategy of the Republic of Croatia around 26 PJ of biomass for energy is planned by 2020.

Croatia has a great, up to now insufficiently exploited, potential to generate forest biomass, 2.75 million m³ in forests, while in wood processing 1.5 million m³ of forest biomass is obtained. A significant potential for production of biomass is in private forests which mainly produce firewood. Due to higher demand and the large potential to increase forest biomass production (woodchips), it is necessary to develop and increase the application of new technologies for the production and warehousing of forest biomass and introduce new machinery for the feasible collection of biomass particularly from inadequately connected and currently inaccessible forest areas.

4.2.22. Need 22. Further development and strengthening of local development initiatives

Priorities/Focus Areas

- 6B) Fostering local development in rural areas

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation
- Innovation

The lack of administrative capacities at all levels of public administration and beneficiaries, as well as insufficient co-operation and co-ordination among all stakeholders negatively affects implementation efficiency and the utilization of resources. The cooperation until now of public and civil sector by means of a social dialogue process has not enabled the efficient adoption and implementation of local policies and plans. The absorption of EU funds at local level will require significant upgrading of programming and administrative capacities.

The insufficient maturity of local development initiatives did not enable the local stakeholders to exploit and implement fully their local development strategies and to participate as partners in the development of their area.

Although the implementation of the LEADER approach in Croatia started within the IPARD programme, the coverage of areas with selected LAGs is still insufficient. The selected 42 LAGs cover about 69% of the national territory and 34% of all citizens of Croatia.
4.2.23. Need 23. Diversification of activities and creation of new jobs in rural areas

Priorities/Focus Areas

- 2A) Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification
- 5C) Facilitating the supply and use of renewable sources of energy, of by products, wastes, residues and other non food raw material for the purposes of the bio-economy
- 6A) Facilitating diversification, creation and development of small enterprises, as well as job creation

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation
- Innovation

Description

In the last few years, the share of the agricultural sector in GDP, as well as the share of the employed workforce, have experienced negative trends. The agricultural sector represents 5.5% of total GDP, while the share of people employed in agriculture makes up 13.8% of the total workforce. Negative economic and population trends are also reflected by the fact that an increasing number of family holdings are not economically viable solely on primary agricultural production unless there is additional income for the holding. Furthermore, there is still an insignificant number of family holdings that have launched new activities related to investment in renewable energy sources, services tourism development, processing and marketing of products in addition to agricultural production. The existing level of agricultural production cannot support the maintenance of existing employment and providing opportunities for new jobs with the view of maintaining the rural population and fostering sustainable development of rural areas.

4.2.24. Need 24. Development of local utilities, tourist and road infrastructure

Priorities/Focus Areas

- 6B) Fostering local development in rural areas

Cross cutting objectives

- Environment
- Innovation

Description
Scarcely inhabited rural areas in Croatia have remained at the lower level of public utilities and road infrastructure development in relation to urban and intermediate areas.

The poor connection of underdeveloped rural areas with local and regional centres, the insufficient quality and state of repair of the existing utilities and road infrastructure still do not provide the necessary conditions for the sustainable development of rural areas and quality of life in these areas. The connection of population to the public sewage systems is insufficient and substantially lower than urban areas. In areas with less than 2000 ES (equivalent of inhabitants), the connection of the population to public sewage systems is only 7%, due to the technical and financial complexity of these projects, but also the poor financial capacity of local administration units in rural areas. There is a lack of high quality strategic local planning documents which are consistent with higher-level strategic-planning documents.

Access to broadband is insufficient and patchy in rural areas.

There is also an insufficient number of good quality tourist infrastructure in rural areas which would enable the promotion of the tourist offer and its branding: thematic routes and parks, tourist attractions in rural areas such as natural heritage sites and important historical and cultural heritage.

4.2.25. Need 25. Development of basic services for rural population

Priorities/Focus Areas

- 6B) Fostering local development in rural areas

Cross cutting objectives

- Environment
- Innovation

Description

In Croatia there is a visible trend of unfavourable demographic trends, namely the ageing population, a growth of the number of elderly people in relation to the active population as well as the growth of single households. As early as 1981, 80% of areas in Croatia were affected by depopulation or approximately 90.0% of all villages. The population of Croatia has been ageing in a long-term process, which is visible from numerous indicators. According to the last population census of 2011, the number of inhabitants aged 65 and over (17.7%) exceeded for the first time the number of the young from 0 to 14 (15.2%). Natural population growth is negative for the whole of Croatia, while in predominantly rural areas population decrease is more visible due to interal migration.

The lack of basic services and inadequate state of repair of available social, cultural, entertainment and sport facilities such as community buildings and fire stations, kindergartens, and homes for the elderly do not enable the maintenance of the existing rural population or attract new inhabitants and provide a better quality of life in rural areas. The above mentioned negative trends particularly influence the active population who are a prerequisite for sustainable development of rural areas.
5. **DESCRIPTION OF THE STRATEGY**

5.1. A justification of the needs selected to be addressed by the RDP, and the choice of objectives, priorities, focus areas and the target setting based on evidence from the SWOT and the needs assessment. Where relevant, a justification of thematic sub-programmes included in the programme. The justification shall in particular demonstrate the requirements referred to in Article 8(1)(c)(i) and (iv) of Regulation (EU) No 1305/2013

In accordance with the principles of the Europe 2020 Strategy on smart, sustainable and inclusive growth and respecting the goals, priorities and measures of the Regulation of the European Parliament and Council on support to rural development, the Ministry of Agriculture has drawn up this strategy of rural development in Croatia, which is fully coherent with the Republic of Croatia’s strategy and rationale for the investment of European Structural and Investment (ESI) Funds to contribute to the achievement of the Europe 2020 objectives.

In terms of the Rural Development Programme of the Republic of Croatia, the objectives are to achieve:

- competitive and sustainable agricultural production fully integrated in EU frameworks,
- a developed rural economy with the trend to increase employment, through the production of high quality food and by the development of non-agricultural economic activities[1] in rural areas,
- sustainable use of available natural potentials for the purpose of making rural areas safe and attractive places for living and working.

The choice of strategic goals, as well as the priorities and focus areas and the respective financial allocations, are based on the analyses of the social, economic and environmental situation based on available statistical data, the consequent SWOT analysis and the evaluation of needs. In particular, the needs assessment has provided the basis for establishing the balance of funding and respective allocations, focusing particularly on strategic actions which can be drivers for the achievement of a balanced and sustainable rural economy. Where appropriate, strategic choices from other ESI Funds have been taken into account to foresee synergies and complementaries in achieving the strategic goals. Furthermore, Croatia will use the possibility to finance additional national direct payments by which 15% of EAFRD will be transferred to the first pillar.

**Recognised needs of Croatia:**

1) increasing the degree of professional competence, awareness and knowledge transfer;

2) strengthening agriculture and forestry advisory services and increasing the expertise of those providing advisory services;

3) strengthening co-operation between the research system and the rural economy, to develop, test, implement and disseminate innovation;

In order to increase knowledge and the uptake of innovation, which is indispensable, it is necessary to provide specific vocational training and carry out demonstration and information actions, foster habits of lifelong learning (which are currently lacking) and facilitate the exchange of experience on best practices of all those involved in agricultural sector, forestry sector, food production and food processing sector,
including entrepreneurs in rural areas.

A public advisory service is available throughout the entire territory of Croatia, with qualified advisors; however, this network will need expanding and consolidating with a view to provide tailored advice on the increase of the economic and environmental efficiency of holdings that will ultimately be of use to all actors in rural areas.

Furthermore, by better training of farmers and foresters and reducing the gap between the research sector and farmers, actors in food-processing or forest owners, the development and take-up of new techniques and technologies in production will be encouraged.

In addition, by linking several measures, better support for the development of innovative technologies and research can be provided, while by fostering the formation and development of clusters, partnerships and operative groups (EIP), opportunities for the improvement of technological development are created. Fostering co-operation between the research system and producers for the purpose of the development, testing, implementation and dissemination of new knowledge and innovation shall, in the long run, affect the growth of the entire rural economy, increasing competitiveness and resource efficiency. The fulfilment of measures from this priority will contribute to knowledge development within all other priorities.

This approach is aimed at the strategic objective: education, skills and lifelong learning.

Recognised needs in Croatia are:

5) generational renewal in the agricultural sector;

6) strengthening the sustainability of farms with structural problems and changing the agricultural production structure;

7) increasing the competitiveness of the processing and marketing of the agricultural products sector;

8) consolidation of agriculture and forest land;

9) construction of access roads in agriculture and forestry.

By restructuring production, encouraging the entry of young farmers and improving the sustainability and competitiveness of the agricultural economy in Croatia, the goal is to foster competitive producers.

In Croatia, there are a large number of holdings burdened by obstacles due to historic processes of structural changes. There is the serious structural challenge of the current small agricultural holdings with divided plots, and an increasing trend of an ageing population working in the agricultural and forestry sector. Agricultural holdings still often use the technology used before 1990 and, lacking the main prerequisites necessary for development, they cannot profit from modern technology. This approach is aimed at the strategic objective: generational renewal, the sustainability and competitiveness of farms.

Recognised needs in Croatia:

11) better risk management in agriculture;
12) organising of producers and their stronger market positioning;

13) development of quality system and greater involvement of manufacturers in quality schemes.

Agricultural production, more than any other branch of production, is subject to the influence of natural disasters and catastrophic events, and holdings are not able to bear the additional high costs of insurance policies, which directly influence the economic potential of production in the years following such disasters.

In terms of the organisation of producers, negative experience from pre-1990 has influenced the low level of common participation of producers in the market; however, by fostering the association of producers into groups, the better positioning of Croatian products on the market can be supported and the weight of intermediaries reduced in the supply chain, a better organisation of farmers and a reduction of number of intermediaries in the food chain, better and easier participation in the market shall be achieved, and by risk management, the stability of participation in production ensured even in years after the yields were destroyed by damage.

The potential for involvement of Croatian producers in quality schemes is high, but current participation is hampered by complex procedures and over-heavy costs for individuals: the development of quality systems and fostering of the involvement of producers and producer groups shall assist in realising this potential.

This approach is aimed at the strategic objective: better risk management, farmers cooperation and product quality development.

Recognised needs in Croatia:

4) improving management of forests in private ownership;

14) soil erosion prevention and increasing of soil fertility and soil organic matter;

15) maintenance of water, soil and air quality;

16) conservation of landscape and biodiversity;

17) maintenance of continuity of agricultural production in areas with natural and specific limitations for agriculture;

18) reforestation of forest areas by conversion and plant breeding.

By developing and implementing forest management plans to ensure revenue stability and ecologically and socially responsible forest management while preserving and enhancing biodiversity, forest functions for the public benefit and the long-term economic value of forest ecosystems will be ensured. Agricultural and forest production directly influences the quality of water, air and soil, thereby contributing to the strategic goal to preserve natural resources and their diversity.

One of the main natural resources of Croatia is the numerous sources of good quality and unpolluted water. In addition, Croatia is rich in biological and biogeographic diversities, the protection of which
requires constant attention and the development of agro-technical measures.

The intensification of production has as a consequence the intensification of agro-technical measures, so it is necessary to invest additional efforts to prevent the negative influence of these measures on the preservation of biodiversity and the landscape.

This approach is aimed at the strategic objective: soil, water and air preservation.

**Recognised needs in Croatia:**

10) increasing the efficient use of water in agriculture and adapting to climate change;
19) modernization of technologies, machinery and equipment for forestry works and wood processing;
20) increasing level of production and usage of energy from renewable sources;
21) increase of forest biomass production.

The growth in the energy efficiency of agricultural and processing holdings, as well as the increase of production and consumption of renewable energy will also contribute to the increase of their total economic efficiency. Special attention shall be given to the adoption of successful innovative solutions, practices, processes and technologies as well as the dissemination of information.

The potential for exploiting biomass from primary and forestry resources can also provide a significant contribution to the rural economy.

This approach is aimed at the strategic objective: better use of the water and renewable sources.

**Recognised needs of the Republic of Croatia:**

22) further development and strengthening of local development initiatives;
23) diversification of activities and creation of new jobs in rural areas;
24) development of local utilities, social and road infrastructure;
25) development of basic services for rural population.

The diversification of activities and fostering of local development will encourage the creation of wide range of good quality jobs.

The balanced development of rural areas is a strategic goal for Croatia. Croatia has been severely affected by a migration process to urban areas and the depopulation of rural areas. By means of the RDP, Croatia aims to halt the trend and provide enabling conditions for its reversal through fostering the development of utilities and social infrastructure in rural areas and improving the basic services in rural areas as necessary prerequisites for creating an attractive environment for young people and families to live and work in.

Furthermore, the support for entrepreneurship development and the creation of new jobs in rural areas are
measures by which RDP can influence the retention of the young and active population in rural areas and in the long term achieve the return of those who left.

The development of local communities is sustainable in the long run only if the initiative is started and recognised by all stakeholders in the community. Therefore the RDP fosters the development of local initiatives and formation of local action groups.

This approach is aimed at the strategic objective: better living conditions of the rural population.

In order to achieve the given strategic goals, and aiming at focus areas, Croatia has chosen and developed a number of measures under the RDP with eligible investments, identified potential beneficiaries and established thresholds and limitations in eligible expenditures.

A co-ordinated approach (between the ESIF and other forms of public support) will be essential to ensure that the RDP plays an integral and appropriately focused role in delivering beneficial outcomes as set out in the Partnership Agreement.

A joint approach has therefore been developed for the rural communities during the programming exercise and mechanisms for a strong, synergetic coordination between funds will guide the implementation of ESI Funds as further developed in Chapter 14. At the same time, strong consistency and coherence with Pillar 1 of the CAP has been ensured.

The promotion of formal education for farmers and other rural stakeholders, including the updating of vocational training qualifications, will be programmed under the ESF, while the RDP shall provide specific knowledge transfer and informal vocational training as specified in Measures 1 and 2.

Clear demarcation has been ensured between funds in terms of utilities in rural areas: the provision of basic water and wastewater services in settlements under 2000 inhabitants may be financed by the EAFRD; the Competitiveness and Cohesion programme will fund larger investments in these services. All investments in broadband provision shall be financed through the ERDF.

Regarding mined areas in Croatia, operations for the demining of agricultural areas shall be financed in the RDP while the demining of forest areas shall be financed through ERDF.

Following this approach, and bearing in mind the overarching principle of thematic concentration, the following Focus Areas shall not be directly programmed under EAFRD in Croatia: FA 5A, FA 5B and FA 6C.

With reference to specific measures for Natura 2000 and Animal Welfare, as the overall regulatory framework in Croatia is not yet in place, these specific measures have not yet been programmed and their introduction is envisaged at a later stage, consistently with the outlined strategy. Priority has been given to agri-environmental operations located in Natura 2000 areas in the selection principles.

[1] Development of non-agricultural activities with existing subjects in accordance with the Act on Agriculture
5.2. The combination and justification of the rural development measures for each focus area including the justification of the financial allocations to the measures and the adequacy of the financial resources with the targets set as referred to in Article 8(1)(c)(ii) and (iii). The combination of measures included in the intervention logic shall be based on the evidence from the SWOT analysis and justification and prioritisation of needs under point 5.1

5.2.1. P1: Fostering knowledge transfer and innovation in agriculture, forestry and rural areas

5.2.1.1. IA) Fostering innovation, cooperation, and the development of the knowledge base in rural areas

5.2.1.1.1. Choice of rural development measures

- M01 - Knowledge transfer and information actions (art 14)
- M02 - Advisory services, farm management and farm relief services (art 15)
- M16 - Co-operation (art 35)

5.2.1.1.2. Combination and justification of rural development measures

Following the SWOT analysis and evaluation of needs, actions within these measures to increase knowledge transfer and disseminate innovation in the agricultural and forestry sectors as well as stimulate cooperation between the research sector and farmers, producers and forest holders will enhance the knowledge base and stimulate the take up of innovation, a more efficient use of technology and foster stronger, long-lasting relations between the research system and the rural economy.

Measures of this Priority are cross-cutting and contribute to all priorities.

Fostering knowledge and innovation, by means of vocational training and demonstration actions, will contribute to the protection of biodiversity and landscape value and the higher value of agricultural, forestry and processing products ultimately influencing higher competitiveness. This will have a significant impact on rural development in general, making rural areas more attractive for the active population, thereby reversing the negative rural population trend.

Measures which provide advisory services to agricultural, food and forestry sector stakeholders will further improve the final products and contribute to reducing pollution, as well as favouring the better utilization of natural resources.

Furthermore, the training of advisors will ensure constant monitoring of innovative technologies and production processes as well as increased knowledge of agri-environmental-climate related issues to contribute to better productivity and more sustainable exploitation of natural resources, thereby fostering environment protection.

The dissemination and take-up of innovation will be fostered through cooperation between the research sector and the rural economy, to bridge the innovation gap and provide the basis for consolidated collaboration. Connecting agricultural and food producers and their cooperation within Operational Groups within the EIP will contribute to a better participation in the market.
5.2.1.2. 1B) Strengthening the links between agriculture, food production and forestry and research and innovation, including for the purpose of improved environmental management and performance

5.2.1.2.1. Choice of rural development measures

- M16 - Co-operation (art 35)

5.2.1.2.2. Combination and justification of rural development measures

Following the SWOT analysis and evaluation of needs, the opportunity for investments in co-operations will enable better collaboration between participants in the agricultural sectors and research and innovation actors to foster the development, dissemination and uptake of research and innovation in these sectors. The goal is the establishment of Operational groups that will work on innovative projects related to agriculture production with the ultimate goal of technological advancement production.

The development of agricultural production based on knowledge and innovation is one of the key factors for social and economic development. Cooperation activities will enable direct transfer of technical and technological knowledge and the transfer and application of research in practice.

Establishing Operational groups within the EIP will strengthen and encourage the development of innovation. The linking agri and food producers and mandatory inclusion of Operational Groups in pilot actions and development of new products will ensure wider dissemination and foster take-up.

Cooperation activities will contribute to a better participation in the market through fostering the creation of short supply chains.

5.2.1.3. 1C) Fostering lifelong learning and vocational training in the agricultural and forestry sectors

5.2.1.3.1. Choice of rural development measures

- M01 - Knowledge transfer and information actions (art 14)

5.2.1.3.2. Combination and justification of rural development measures

Following the SWOT analysis and evaluation of needs, investments within the above mentioned measures will increase the knowledge and skills of those employed in the agricultural and forestry sectors.

Competition in the agricultural, food and forestry sectors is increasingly aggressive, so innovation and creativity are exceptionally important, because they improve competitiveness and better positioning on the market. Due to the fast development of technologies, it is necessary to enable lifelong learning for
farmers and forest owners and provide vocational training to acquire new skills and knowledge.

The modernization of technologies and constant monitoring of new achievements will be enabled through investments in these measures.

The pre-condition in the Croatian agriculture sector for the fulfilment of this goal is well-developed and trained advisory services operative at county level.

Employees of Advisory Service give advice to agriculture holders on whole of Croatian territory through direct contact with holders, on a range of issues related to the production and implementation of necessary standards, norms of production etc.

Furthermore, private entities provide a variety of consulting services related to direct production and the introduction of new technological processes.

Other vocational and academic training institutions, research entities and non-government organisations are also qualified to provide advisory services and knowledge transfer to stakeholders in the agricultural, food and forestry sectors.

5.2.2. P2: Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests

5.2.2.1. 2A) Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification

5.2.2.1.1. Choice of rural development measures

- M01 - Knowledge transfer and information actions (art 14)
- M02 - Advisory services, farm management and farm relief services (art 15)
- M04 - Investments in physical assets (art 17)
- M06 - Farm and business development (art 19)
- M16 - Co-operation (art 35)
- M18 - Financing of complementary national direct payments for Croatia (art 40)

5.2.2.1.2. Combination and justification of rural development measures

Following the SWOT analysis and evaluation of needs, investments through these measures will influence the reduction of production costs and increase productivity. Investments in material assets and advanced technology will enable the equal participation of farmers in the market. Investments in new technologies increase farms’ economic efficiency and also affect the reduction of greenhouse gas emissions to contribute to efficient environment protection. Vocational training and advisory services for
new sustainable technologies will support the effectiveness of the actions over the medium and long term.

A majority of agricultural holdings in Croatia cultivate small areas, at which it is difficult to establish sustainable production. To solve the problem of small agricultural holdings, the Agricultural Land Agency has been established whose tasks are the disposal of agricultural land, managing the land fund and mediation in agricultural land transactions. Furthermore, investments in land consolidation will result in the consolidation of agricultural areas and reduction of agricultural machinery idle time. One of the ways to establish sustainable economic is diversification of small farms in other agriculture-linked activities. Processing and marketing of agricultural products, rural tourism and the opening of the service sector in rural areas will greatly contribute to the development of an entrepreneurial sector but also to the region as a whole.

Investments in the modernisation and development of small agricultural holdings and the transfer to market-oriented production will contribute to economic sustainability of these holdings.

Investments in production restructuring by introducing advanced technology and changing the agricultural production structure and fostering the efficient use of resources as well as by the production of highly profitable crops will improve participation in the market.

5.2.2.2. 2B) Facilitating the entry of adequately skilled farmers into the agricultural sector and, in particular, generational renewal

5.2.2.2.1. Choice of rural development measures

- M01 - Knowledge transfer and information actions (art 14)
- M02 - Advisory services, farm management and farm relief services (art 15)
- M06 - Farm and business development (art 19)

5.2.2.2.2. Combination and justification of rural development measures

Following the SWOT analysis and evaluation of needs, the RDP will support the entry of young farmers in order to address the ageing demographic in the agricultural sector and foster generational renewal by means of investment in M06, supported by specific knowledge-transfer and vocational training and and the provision of tailored advisory services to young farmers.

Young farmers guarantee the future of agriculture and consequently the survival of the rural economy and communities, and bring innovation into their work, but they face various barriers at entry level in particular the availability of arable land and bank loans. Therefore, there are barriers preventing young people from starting an agricultural business, buying agricultural machinery and agricultural land or for current young farmers to expand their existing production to a more commercially-viable level and invest in innovation. The investments within this measure will make available the initial financial resources for young farmers to enter the sector thereby enabling generational renewal.
5.2.3. P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture

5.2.3.1. 3A) Improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and inter-branch organisations

5.2.3.1.1. Choice of rural development measures

- M01 - Knowledge transfer and information actions (art 14)
- M03 - Quality schemes for agricultural products and foodstuffs (art 16)
- M04 - Investments in physical assets (art 17)
- M09 - Setting-up of producer groups and organisations (art 27)
- M16 - Co-operation (art 35)

5.2.3.1.2. Combination and justification of rural development measures

Following the SWOT analysis and evaluation of needs, the better organisation of farmers will be supported in order to achieve higher revenues and reduce the number of links in food chains.

In order to place their products in large retail chains and reduce dependence on intermediaries, producers have to meet certain quantity and quality standards which will be facilitated by investments fostering their integration into producer associations and the establishment of producer groups and organisations. The integration of the currently high number of small scale primary producers and the reduction of steps in the supply chain will improve the placing of agricultural products on the market which will directly influence the increase of economic profit. Croatia has one recognized Producer Organization and the lack of knowledge related to the benefits of such associations will be given through dissemination activities.

The improvement of agricultural products’ quality is directly connected with the possibility of registering quality labels which enables their easier placing on the market and an increase in their added value. However, small producers lack the capital needed for participation in these quality schemes and their participation is not fully renumerated by the market. Therefore these investments and the integration of producers of products with protected geographical indication, protected designation of origin, organic production and traditional specialty guaranteed quality marks in implementing the above mentioned measures will contribute to the achievement of this goal. Given that the recognition of these quality marks in Croatia is recent, specific information and promotion actions are also needed to increase consumer awareness.

Investments in horizontal and vertical cooperation between participants in the agri-food chain will contribute to the achievement of mutual goals with the view of sharing experience and principles of work.

Regarding the current situation in cattle-breeding (which is below EU standards), the measure Animal Welfare, aimed at improving conditions related to standards, is planned to be implemented in future phases of the RDP.
5.2.3.2. 3B) Supporting farm risk prevention and management

5.2.3.2.1. Choice of rural development measures

- M05 - Restoring agricultural production potential damaged by natural disasters and catastrophic events and introduction of appropriate prevention actions (art 18)
- M17 - Risk management (art 36-39)

5.2.3.2.2. Combination and justification of rural development measures

Following the SWOT analysis and evaluation of needs, investments in these measures will contribute to risk management related to production in the open.

Due to the low investment potential, farmers do not insure their crops, which often suffer severe damage because of natural disasters caused by sudden climate change. This damage influences the stability of revenues and economic sustainability of agricultural production.

Agricultural production is currently at risk in mine-suspected areas: a dedicated type of operation is programmed under Measure 5.

One part of insurance needs will be covered by insurance policy compensations, and also the possibilities offered by mutual fund will be used in case of the outbreak of adverse climatic events, animal and plant diseases, pest infestation and environmental disasters.

In order to use mutual funds in Croatia as part of Measure 17, it is necessary to ensure certain preconditions through laws and by-laws which are not yet prepared.

Measures aimed at insuring production will contribute to a larger number of concluded insurance policies and reduce losses for producers, as well as ensuring a part of resources for future production.

Furthermore, investments in the renewal of agricultural potential destroyed by natural disasters and catastrophic events will ensure the continuation of production.
5.2.4. P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry

5.2.4.1. 4A) Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints and high nature value farming, as well as the state of European landscapes

5.2.4.1.1. Measures for agricultural land

- M01 - Knowledge transfer and information actions (art 14)
- M02 - Advisory services, farm management and farm relief services (art 15)
- M04 - Investments in physical assets (art 17)
- M10 - Agri-environment-climate (art 28)
- M11 - Organic farming (art 29)
- M13 - Payments to areas facing natural or other specific constraints (art 31)

5.2.4.1.2. Measures for forestry land

- M01 - Knowledge transfer and information actions (art 14)
- M02 - Advisory services, farm management and farm relief services (art 15)
- M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)

5.2.4.1.3. Combination and justification of rural development measures

Following the SWOT analysis and evaluation of needs, the preservation of biodiversity of agricultural and forestry ecosystems will be fostered by investments in these measures. With its geographic position and diverse climate conditions, Croatia has good preconditions to cultivate various cultures and is a natural habitat to a large number of different plant and animal species.

Croatia will encourage the protection of the ecosystem and biodiversity in mountain areas and areas with natural and specific constraints for agriculture. In this way, unused agricultural land will be included taking into account landscape and biodiversity conservation.

Furthermore, sustainable forest management shall ensure the sustainability of biodiversity in forest ecosystems.

Croatia has many indigenous breeds of farm animals and plant varieties which have adapted to specific life conditions in different parts of Croatia. Abandoning agricultural areas and the excessive use of pesticides and fertilisers negatively affects biodiversity, especially plant species in forests and indirectly the animal world in forests. Measures introducing field strips, traditional orchards and the conservation of the landscape will create conditions for plant life and habitats for insects necessary for fertilisation in agriculture and better conditions for wild animals will be created.

Many dry stone hedges, beside their landscape value, also have an environmental value as a shelter for
plants and animals like lizards, bees and rare insects, with an unmeasurable contribution to biodiversity. These actions will be supported by specific knowledge transfer and advisory services. Some of the measures within this focus area as are, NATURA, Forestry-environment and climate services and forest conservation, are planned to be implemented in a later phase of the programme, when all the preconditions are met.

5.2.4.2.4B) Improving water management, including fertiliser and pesticide management

5.2.4.2.1. Measures for agricultural land

- M01 - Knowledge transfer and information actions (art 14)
- M02 - Advisory services, farm management and farm relief services (art 15)
- M04 - Investments in physical assets (art 17)
- M10 - Agri-environment-climate (art 28)
- M11 - Organic farming (art 29)
- M13 - Payments to areas facing natural or other specific constraints (art 31)

5.2.4.2.2. Measures for forestry land

- M01 - Knowledge transfer and information actions (art 14)
- M02 - Advisory services, farm management and farm relief services (art 15)
- M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)

5.2.4.2.3. Combination and justification of rural development measures

Following the SWOT analysis and evaluation of needs, improvements in water management will be achieved by means of investments in these measures.

Croatia is rich in natural, unpolluted water resources which must be protected from any possible pollution by means of constant supervision and adaptation of agricultural production activities.

This can be achieved by encouraging agro-technical interventions which reduce the negative effects of plant production and cattle breeding to the environment. This will be supported by specific knowledge transfer and advisory services.

Furthermore, by reconstruction and building new irrigation systems, a targeted use of water in agriculture will be achieved.
### 4C) Preventing soil erosion and improving soil management

#### 5.2.4.3.1. Measures for agricultural land

<table>
<thead>
<tr>
<th>Measure Code</th>
<th>Description</th>
</tr>
</thead>
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<tr>
<td>M01</td>
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<tr>
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</tr>
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</tr>
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<tr>
<td>M11</td>
<td>Organic farming (art 29)</td>
</tr>
<tr>
<td>M13</td>
<td>Payments to areas facing natural or other specific constraints (art 31)</td>
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#### 5.2.4.3.2. Measures for forestry land

<table>
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<th>Measure Code</th>
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</thead>
<tbody>
<tr>
<td>M01</td>
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<td>M02</td>
<td>Advisory services, farm management and farm relief services (art 15)</td>
</tr>
<tr>
<td>M08</td>
<td>Investments in forest area development and improvement of the viability of forests (art 21-26)</td>
</tr>
</tbody>
</table>

#### 5.2.4.3.3. Combination and justification of rural development measures

Following the SWOT analysis and evaluation of needs, improvements in soil management will be achieved by means of investments in these measures.

The appropriate application of agro-technical measures in agriculture and forestry will contribute to the reduction of excessive and unnecessary soil treatments, the result of which will be an improved quality of the soil, the reduction of erosion and less organic matter lost.

Improving the structure and quality of soil by using organic fertilisers and at the same time reducing protecting agents and artificial fertilizers has a substantial impact on water and soil protection. Investments in new technologies in the forestry sector and integrated production in agricultural production will influence the quality of water resources in Croatia particularly in especially present on uncultivated land. These actions will be supported by specific knowledge transfer and advisory services.
5.2.5. P5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors

5.2.5.1. 5A) Increasing efficiency in water use by agriculture

5.2.5.1.1. Choice of rural development measures

5.2.5.1.2. Combination and justification of rural development measures

Croatia has not programmed this focus area but investment through other measures, such as irrigation and better use of water for irrigation in Measure 4, will indirectly contribute to this FA.

5.2.5.2. 5B) Increasing efficiency in energy use in agriculture and food processing

5.2.5.2.1. Choice of rural development measures

5.2.5.2.2. Combination and justification of rural development measures

Croatia has not programmed this focus area but investment through other measures, such as production of energy from renewable sources in Measure 4, will indirectly contribute to this FA.

5.2.5.3. 5C) Facilitating the supply and use of renewable sources of energy, of by products, wastes, residues and other non food raw material for the purposes of the bio-economy

5.2.5.3.1. Choice of rural development measures

- M04 - Investments in physical assets (art 17)
- M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)

5.2.5.3.2. Combination and justification of rural development measures

Following the SWOT analysis and evaluation of needs, the production and use of energy from renewable sources will be increased by means of investments in these measures.
Biomass from agriculture and forestry is important for the production of energy from renewable sources. Generating energy from biomass reduces dependence on energy import, greenhouse gas emissions, pollution of ground waters and the effect on climate, soil, air and water is immeasurable.

Production of energy should be based on by-products of agriculture and forestry by which higher total revenues are achieved.

Supporting the construction of facilities for the production of renewable energy will help increase the efficiency in energy use and aid the supply and use of energy from renewable sources - by-products, waste and other forms of bio-waste - for the purposes of agricultural bio-management.

Apart from its direct relationship with agriculture and forestry, the production of energy from renewable sources within non-agricultural activities in rural areas can substantially influence the permanence of the population in rural areas, since it can increase employment opportunities significantly.

This will be supported by specific knowledge transfer and advisory services and cooperation.

5.2.5.4. 5D) Reducing green house gas and ammonia emissions from agriculture

5.2.5.4.1. Choice of rural development measures

- M04 - Investments in physical assets (art 17)
- M10 - Agri-environment-climate (art 28)

5.2.5.4.2. Combination and justification of rural development measures

Following the SWOT analysis and evaluation of needs, the reduction of nitrous oxides and methane in agriculture will be achieved by means of investments in these measures.

Measures to support the replacement of old fashioned and energetically inefficient technology current in use in the majority of agricultural holdings in Croatia will reduce the emission of gases.

This will be supported by specific knowledge transfer and advisory services and cooperation.

5.2.5.5. 5E) Fostering carbon conservation and sequestration in agriculture and forestry

5.2.5.5.1. Choice of rural development measures

- M10 - Agri-environment-climate (art 28)
- M11 - Organic farming (art 29)
5.2.5.5.2. Combination and justification of rural development measures

Following the SWOT analysis and evaluation of needs, better carbon fixation in agriculture and forestry will be achieved by means of investments in these measures.

Carbon dioxide has by far the biggest share in total emissions of greenhouse gases in Croatia. Investments in measures for forest development and the conversion of forest species, as well as regenerating degraded forest stands will contribute to the reduction of harmful carbon gases. Measures in agriculture to leave the grass in permanent crops, retain a large area under grass, sow winter green cover and maintain traditional olive groves encourage keeping and fixing carbon.

This will be supported by specific knowledge transfer, advisory services and cooperation.

5.2.6. P6: Promoting social inclusion, poverty reduction and economic development in rural areas

5.2.6.1. 6A) Facilitating diversification, creation and development of small enterprises, as well as job creation

5.2.6.1.1. Choice of rural development measures

- M06 - Farm and business development (art 19)
- M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)

5.2.6.1.2. Combination and justification of rural development measures

Following the SWOT analysis and evaluation of needs, the diversification of activities and creation of new jobs will be fostered by means of investments in these measures.

The diversification of non-agricultural activities in rural areas also prevents depopulation, since non-agricultural activities enable new job opportunities and attract other skills. Furthermore, investments in small enterprise development linked to the rural natural and cultural heritage, including rural tourism, also help to preserve and enhance local traditions and culture.

In addition, opportunities to start agricultural businesses encourage young people to stay in rural areas and attract new entrants to agricultural entrepreneurship.

This will be supported by specific knowledge transfer and advisory services.
5.2.6.2. 6B) Fostering local development in rural areas

5.2.6.2.1. Choice of rural development measures

- M07 - Basic services and village renewal in rural areas (art 20)

5.2.6.2.2. Combination and justification of rural development measures

Following the SWOT analysis and evaluation of needs, the development of basic services, utilities, roads and social infrastructure will be supported by means of investments in these measures, as well as the conservation of cultural and natural heritage. In this way, the preconditions for a good quality of life in rural areas will be created and provide an attractive environment for young people and families thereby halting depopulation and ensuring the long-term sustainability of the rural areas.

Local development is based on the involvement of the local stakeholders and their participation in local development. They can define best their priorities, as well as decide how to implement them effectively.

Transparent work of different local partner groups have positively affect to local development and such partnerships are necessary in the purpose of raising the level of knowledge and skills of local action groups in order to manage these partnerships.

5.2.6.3. 6C) Enhancing the accessibility, use and quality of information and communication technologies (ICT) in rural areas

5.2.6.3.1. Choice of rural development measures

5.2.6.3.2. Combination and justification of rural development measures

This Focus Area is not programmed under the RDP, as all investments for ICT infrastructure will be programmed under the ERDF and Cohesion Fund.
5.3. A description of how the cross-cutting objectives will be addressed, including the specific requirements in Article 8(1)(c)(v) of Regulation (EU) No 1305/2013

Innovation

One of the purposes of the RDP is to create a suitable environment to promote innovation in the rural area. Innovation in the rural development context may be technological, but also non-technological, organisational or social. In particular it may be based on new but also on traditional practices in a new geographical or environmental context. Furthermore, innovation potential is unlocked by fostering the wide adoption of a new product, practice, service, production process or organisation and proving its usefulness in practice. The private sector is technologically weak, resulting mainly from the low volume and low investments into innovations. Given the current low level of innovation among rural stakeholders in Croatia, specific attention has been made in programming to address this at the appropriate level, both through certain measures and types of operation which directly stimulate and foster innovation take-up and others that support operations that may be innovative.

This horizontal objective will be directly supported through cooperation measures as support to establishment and operation of operational groups of the EIP. Specific attention has been paid to the achievement of the goals of European Innovation Partnership in relation to productivity and sustainability through programming support for operational groups of the EIP. By connecting partners such as advisory services, researchers which are involved in agriculture sector and agricultural holders in operational groups the prerequisite for the development of technology and the progress of the sector will be created.

Partnerships that will be established through pilot projects and the development of new products, processes and technology will contribute to development of agriculture production and processing industry connected with agriculture.

The following measures include operations to directly stimulate innovation:

Measure 01 - Knowledge transfer and information actions

Measure 02 - Advisory services, farm management and farm relief services

Measure 09 - Setting-up of producer groups and organisations

Measure 16 - Co-operation

Measure 19 - Support for LEADER local development

Operations under the following measures may contribute to the cross-cutting objective of innovation:

Measure 03 - Quality schemes for agricultural products and foodstuffs

Measure 04 - Investments in physical assets

Measure 06 - Farm and business development

Measure 07 - Basic services and village renewal in rural areas
Measure 08 - Investments in forest area development and improvement of the viability of forests

The EIP should fill gaps by better linking research and practical farming. Innovative projects for productivity and sustainability in agriculture should be performed by operational groups which bring together farmers, forest managers, rural communities, researchers, advisors of non-government organisations, companies and other actors dealing with innovations in agricultural sector. In order to ensure the entire sector benefits from the results of such projects, their results in the field of innovations and exchange of knowledge within Union and with third countries should be published. It is necessary to motivate entrepreneurs to invest, innovate, participate in co-operation with research institutions, increase productivity and in the end, diversify economy and create and maintain more jobs in the agri-food and forestry sectors. Innovations, not only in view of new products, but also processes, services, technologies and ideas will play a key role towards modernization and increase of productivity.

Furthermore, the application of innovative technologies in practice, especially in measure 4 - Investments in physical assets, will directly affect the competitiveness of the production and at the end to growth of the Croatian GDP.

Material goods such as buildings, facilities or capital are not the only valuable resource for rural farmers and enterprises, but experience and inventiveness are important and should be strengthened which is the ultimate objective of measures for Knowledge transfer and information actions and Advisory services, farm management and farm relief services.

Environment

The environment is a central horizontal theme which affects all the priority areas included in the RDP. Harnessing the potential of the unique landscape values and the biodiversity in Croatia represents a strategic choice for the RDP and the implementation of the most part of the selected measures in the strategy places a strong accent on environment protection, particularly the agri-environment measures.

The following Measures are intended to contribute directly to this cross-cutting objective:

Measure 8 - Investments in forest area development and improvement of the viability of forests

Measure 10 - Agri-environment-climate

Measure 11 - Organic farming

Measure 13 - Payments to areas facing natural or other specific constraints

In addition, by implementing measures related to the transfer of knowledge and specialised advisory services aiming to blend environmental and productivity knowledge transfer, producers shall become aware of sustainable and efficient use of natural resources, which in addition to influencing the environment also has an influence on economic output. Negative influence on environment is also counteracted by means of investment measures whose aim is the application of new techniques and technologies. Furthermore, Measure 07 Basic services and village renewal in rural areas may contribute to environmental protection through operations designed to preserve the rural landscape.
Climate change adaptation and mitigation

Climate change adaptation and mitigation has been embedded in priorities included in the RDP and is an important commitment for the Ministry of Agriculture.

Some types of operations in the following measures contribute directly to climate change adaptation and mitigation:

Measure 01 - Knowledge transfer and information actions

Measure 02 - Advisory services, farm management and farm relief services

Measure 10 - Agri-environment-climate

Measure 11 - Organic farming

Measure 13 - Payments to areas facing natural or other specific constraints

Operations in other measures such as Measure 04 - Investments in physical assets shall also contribute to this cross-cutting objective. Activities within this measure will be directed to the adaptation and alleviation of climate changes by means of introduction of renewable energy resources and reduction of greenhouse gas emissions from agricultural production.

Due attention shall also be paid to the guidance developed in the Commission project Mainstreaming of climate change into rural development policy post 2013 to support the climate mainstreaming process.

The identification of specific knowledge transfer and advisory service actions to support AECM will contribute to this process.
5.4. A summary table of the intervention logic showing the priorities and focus areas selected for the RDP, the quantified targets, and the combination of measures to be used to achieve them, including the planned expenditure (table automatically generated from the information provided in sections 5(2) and 11)

<table>
<thead>
<tr>
<th>Priority 1</th>
<th>Focus Area</th>
<th>Target indicator name</th>
<th>Target value 2023</th>
<th>Planned expenditure</th>
<th>Combination of measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Priority 1</td>
<td>1A</td>
<td>T1: percentage of expenditure under Articles 14, 15 and 35 of Regulation (EU) No 1305/2013 in relation to the total expenditure for the RDP (focus area 1A)</td>
<td>1.22%</td>
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<td>Priority 1</td>
<td>1B</td>
<td>T2: Total number of cooperation operations supported under the cooperation measure (Article 35 of Regulation (EU) No 1305/2013) (groups, networks/clusters, pilot projects…) (focus area 1B)</td>
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<td>Priority 1</td>
<td>1C</td>
<td>T3: Total number of participants trained under Article 14 of Regulation (EU) No 1305/2013 (focus area 1C)</td>
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<th>Focus Area</th>
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<tr>
<td>Priority 2</td>
<td>2A</td>
<td>T4: percentage of agricultural holdings with RDP support for investments in restructuring or modernisation (focus area 2A)</td>
<td>0.77%</td>
<td>456.628.146,88</td>
<td>M01, M02, M04, M06, M16, M18</td>
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<td>Priority 2</td>
<td>2B</td>
<td>T5: percentage of agricultural holdings with RDP supported business development plan/investments for young farmers (focus area 2B)</td>
<td>0.43%</td>
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<th>Focus Area</th>
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<th>Planned expenditure</th>
<th>Combination of measures</th>
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<tr>
<td>Priority 3</td>
<td>3A</td>
<td>T6: percentage of agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisations (focus area 3A)</td>
<td>0.60%</td>
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<td>Priority 3</td>
<td>3B</td>
<td>T7: percentage of farms participating in risk management schemes (focus area 3B)</td>
<td>3.54%</td>
<td>175.858.298,53</td>
<td>M05, M17</td>
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<th>Planned expenditure</th>
<th>Combination of measures</th>
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</thead>
<tbody>
<tr>
<td>Priority 4</td>
<td>4A (agri)</td>
<td>T9: percentage of agricultural land under management contracts supporting biodiversity and/or landscapes (focus area 4A)</td>
<td>8.80%</td>
<td>575.800.225,79</td>
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<td>Priority 4</td>
<td>4B (agri)</td>
<td>T10: percentage of agricultural land under management contracts to improve water management (focus area 4B)</td>
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<td>4C (agri)</td>
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<td>Priority 4</td>
<td>4A (forestry)</td>
<td>T8: percentage of forest/other wooded area under management contracts supporting biodiversity (focus area 4A)</td>
<td>0.24%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Priority 4</td>
<td>4B (forestry)</td>
<td>T11: percentage of forestry land under management contracts to improve water management (focus area 4B)</td>
<td>0.24%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Priority 4</td>
<td>4C (forestry)</td>
<td>T13: percentage of forestry land under management contracts to improve soil management and/or prevent soil erosion (focus area 4C)</td>
<td>0.24%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Priority 5</th>
<th>Focus Area</th>
<th>Target indicator name</th>
<th>Target value 2023</th>
<th>Planned expenditure</th>
<th>Combination of measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Priority 5</td>
<td>5C</td>
<td>T16: Total investment in renewable energy production (€) (focus area 5C)</td>
<td>192.100.074,38</td>
<td>90.372.510,97</td>
<td>M04, M08</td>
</tr>
<tr>
<td>Priority 5</td>
<td>5D</td>
<td>T17: percentage of LU concerned by investments in live-stock management in view of reducing GHG and/or ammonia emissions (focus area 5D)</td>
<td>3.56%</td>
<td></td>
<td>M04, M10</td>
</tr>
<tr>
<td>Priority 5</td>
<td>5E</td>
<td>T18: percentage of agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions (focus area 5D)</td>
<td>0.04%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Priority 5</td>
<td>5E</td>
<td>T19: percentage of agricultural and forest land under management contracts contributing to carbon sequestration and conservation (focus area 5E)</td>
<td>1.38%</td>
<td>30.050.440,00</td>
<td>M10, M11</td>
</tr>
<tr>
<td>Focus Area</td>
<td>Target indicator name</td>
<td>Target value 2023</td>
<td>Planned expenditure</td>
<td>Combination of measures</td>
<td></td>
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<tr>
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<td></td>
</tr>
<tr>
<td>6A</td>
<td>T20: Jobs created in supported projects (focus area 6A)</td>
<td>1.976,00</td>
<td>132.941.641,41</td>
<td>M06, M08</td>
<td></td>
</tr>
<tr>
<td></td>
<td>T21: percentage of rural population covered by local development strategies (focus area 6B)</td>
<td>39,63%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6B</td>
<td>T22: percentage of rural population benefiting from improved services/infrastructures (focus area 6B)</td>
<td>29,78</td>
<td>317.213.304,94</td>
<td>M07, M19</td>
<td></td>
</tr>
<tr>
<td></td>
<td>T23: Jobs created in supported projects (Leader) (focus area 6B)</td>
<td>180,00</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
5.5. A description of the advisory capacity to ensure adequate advice and support for the regulatory requirements and for actions related to innovation to demonstrate the measures taken as required in Article 8(1)(c)(vi) of Regulation (EU) No 1305/2013

Specific activities are envisaged to ensure smooth programme implementation and the availability of sufficient advisory capacity on regulatory requirements and on actions related to innovation as follows.

To ensure smooth and efficient programme implementation, specific capacity building and training activities for the staff of the Managing Authority and Paying Agency will be financed through Programme TA, based on a detailed training needs analysis and constant self-assessment by staff in order to better tailor training needs and appropriately timed according to implementation phases (see 15.6). The provision of consistent, updated information to potential beneficiaries and relay bodies on the opportunities for funding, the necessary application procedures and the conditions to be met as well as specific technical guidance on implementation provided to potential beneficiaries and beneficiaries, tailored at measure level, to ensure full compliance with all the regulatory requirements.

Both the training programme and communication strategy shall be subject to specific assessment during Programme implementation to allow for timely adjustment and upgrading. All the information shall be fully available on the Programme website and through local offices as well as through more tailored and targeted information campaigns.

Apart from the Managing Authority and the Paying Agency, information to beneficiaries will be provided by the Advisory Service (a specialized body established by the Ministry of Agriculture as a legal entity that operates as a public institution for consulting services in agriculture, rural development, fisheries and improvement of forest management and forest land of forest owners) which is in charge of providing advice and knowledge in the field of cross-compliance and will provide general information on possibilities and conditions which need to be fulfilled for chosen measures from the programme.

The Advisory Service operates through a central office and branch offices in all 20 counties. To enable the Advisory Service to give exact and professional information to potential beneficiaries, the Managing Authority and the Paying Agency will organise regular guidance and training for the Advisory Service.

Potential beneficiaries will submit applications electronically, and four regional offices of the Paying Agency will be operational, in Split, Osijek, Rijeka and Bjelovar with a main office in Zagreb, to provide assistance.

Furthermore, information will be provided through County departments for agriculture, and their development agencies as a well organised network of relay bodies throughout Croatia, which will serve as a channel for distribution of all basic information on the Programme.

Permanent training is planned for advisors in the Advisory Service in order to follow the constant progress of new techniques and technologies.

The resources allocated to the NRN will also include EIP networking and will serve as additional support in promoting innovation in the agriculture and forestry sectors. An innovation broker service is envisaged to support the process and foster participation in Operational Groups.
6. ASSESSMENT OF THE EX-ANTE CONDITIONALITIES

6.1. Additional information
### 6.2. Ex-ante conditionalities

<table>
<thead>
<tr>
<th>Applicable ex-ante conditionality at national level</th>
<th>Applicable ex-ante conditionality fulfilled: Yes/No/Partially</th>
<th>Assessment of its fulfilment</th>
<th>Priorities/Focus Areas</th>
<th>Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>G1) Anti-Discrimination: the existence of administrative capacity for the implementation and application of Union anti discrimination law and policy in the field of ESI Funds.</td>
<td>partially</td>
<td>Refer to assessment of fulfilment of criteria</td>
<td>6B</td>
<td>M16, M01, M02, M19</td>
</tr>
<tr>
<td>G2) Gender Equality: the existence of administrative capacity for the implementation and application of Union gender equality law and policy in the field of ESI Funds.</td>
<td>partially</td>
<td>Refer to assessment of fulfilment of criteria</td>
<td>6B, 6A</td>
<td>M02, M16, M19, M07, M01, M06</td>
</tr>
<tr>
<td>G3) Disability: the existence of administrative capacity for the implementation and application of the United Nations Convention on the rights of persons with disabilities (UNCRPD) in the field of ESI Funds in accordance with Council Decision 2010/48/EU.</td>
<td>no</td>
<td>Refer to assessment of fulfilment of criteria</td>
<td>6B, 6A</td>
<td>M06, M16, M19, M07</td>
</tr>
<tr>
<td>G4) Public Procurement: the existence of arrangements for the effective application of Union public procurement law in the field of the ESI Funds.</td>
<td>yes</td>
<td>Refer to assessment of fulfilment of criteria</td>
<td>2A, 6B, 5C</td>
<td>M01, M16, M19, M04, M08, M07, M02, M06</td>
</tr>
<tr>
<td>G5) State Aid: the existence of arrangements for the effective application of Union State aid rules in the field of the ESI Funds.</td>
<td>yes</td>
<td>Refer to assessment of fulfilment of criteria</td>
<td>P4, 5C, 6B, 2A, 3A, 1A, 5D, 1C, 6A, 3B, 5E, 1B, 2B</td>
<td>M20, M18, M13, M01, M08, M10, M06, M05, M09, M17, M03, M04, M02, M19, M07, M11, M16</td>
</tr>
<tr>
<td>G6) Environmental legislation relating to Environmental Impact Assessment (EIA) and, Strategic Environmental Assessment (SEA): the existence of arrangements for the effective application of Union environmental legislation related to EIA and SEA.</td>
<td>yes</td>
<td>Refer to assessment of fulfilment of criteria</td>
<td>P4, 2A, 3A, 6A, 5C, 5E, 5D</td>
<td>M07, M11, M08, M16, M06, M10, M13, M04</td>
</tr>
<tr>
<td>G7) Statistical systems and result indicators: the existence of a statistical basis necessary to undertake evaluations to assess the effectiveness and impact of the programmes. The existence of a system of result indicators necessary to select actions, which most effectively contribute to desired results, to monitor progress towards results and to undertake impact evaluation.</td>
<td>yes</td>
<td>&quot;Is applicable but already fulfilled, Common Monitoring and Evaluation System (CMES)&quot; - Implementing act</td>
<td>P4, 6A, 1C, 1B, 5D, 2A, 3A, 1A, 2B, 5C, 6B, 5E, 3B</td>
<td>M04, M11, M06, M07, M03, M17, M19, M05, M09, M08, M20, M18, M10, M01, M16, M13, M02</td>
</tr>
<tr>
<td>P3.1) Risk prevention and risk management: the existence of national or regional risk assessments for disaster management taking into account climate change adaptation</td>
<td>no</td>
<td>Refer to assessment of fulfilment of criteria</td>
<td>3B</td>
<td>M17, M05</td>
</tr>
<tr>
<td>P4.1) Good Agricultural and Environmental Conditions (GAEC): standards for good agricultural and environmental condition of land referred to in Chapter I of Title VI of Regulation (EU) No 1306/2013 are established at national level</td>
<td>yes</td>
<td>Refer to assessment of fulfilment of criteria</td>
<td>P4</td>
<td>M10, M11</td>
</tr>
<tr>
<td>P4.2) Minimum requirements for fertilisers and plant protection products: minimum requirements for fertilisers and plant protection products referred to in Article 28 of Chapter I of Title III of Regulation (EU) No 1305/2013 are defined at national level</td>
<td>yes</td>
<td>Refer to assessment of fulfilment of criteria</td>
<td>P4</td>
<td>M10, M11</td>
</tr>
<tr>
<td>P4.3) Other relevant national standards: relevant mandatory national standards are defined for the purpose of Article 28 of Chapter I of Title III of Regulation (EU) No 1305/2013</td>
<td>yes</td>
<td>Refer to assessment of fulfilment of criteria</td>
<td>P4</td>
<td>M10, M11</td>
</tr>
<tr>
<td>P5.3) Renewable energy: actions have been carried out to promote the production and distribution of renewable energy sources</td>
<td>yes</td>
<td>Refer to assessment of fulfilment of criteria</td>
<td>5C</td>
<td>M04, M06, M07, M16</td>
</tr>
<tr>
<td>Applicable ex-ante conditionality at national level</td>
<td>Criteria</td>
<td>Criteria fulfilled (Yes/No)</td>
<td>Reference (if fulfilled) [reference to the strategies, legal acts or other relevant documents]</td>
<td>Assessment of its fulfilment</td>
</tr>
<tr>
<td>--------------------------------------------------</td>
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<td>-----------------------------</td>
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<td>-----------------------------</td>
</tr>
<tr>
<td>G1) Anti-Discrimination: the existence of administrative capacity for the implementation and application of Union anti discrimination law and policy in the field of ESI Funds.</td>
<td>G1.a) Arrangements in accordance with the institutional and legal framework of Member States for the involvement of bodies responsible for the promotion of equal treatment of all persons throughout the preparation and implementation of programmes, including the provision of advice on equality in ESI fund related activities.</td>
<td>Yes</td>
<td>Anti-discrimination Act (OG No 85/08 and 112/12) Gender Equality Act (OG No 82/08) National Programme for the Protection and Promotion of Human Rights for the Period 2013-2016 - RDP MC members</td>
<td>All relevant institutions, with the aim of preventing discrimination, were involved in the process of programming, during public debates, and will be involved in the implementation of the Program as a committee members activities. - RDP MC members (Chapter 15.2)</td>
</tr>
<tr>
<td></td>
<td>G1.b) Arrangements for training for staff of the authorities involved in the management and control of the ESI Funds in the fields of Union anti discrimination law and policy.</td>
<td>No</td>
<td>National Programme for the Protection and Promotion of Human Rights for the Period 2013-2016</td>
<td>National Programme provides an opportunity for training and will be used for transinf of the authorities involved in the management and control of the antidiscrimination - First trainings are scheduled for 21st May 2014 and 16th October 2014.</td>
</tr>
<tr>
<td>G2) Gender Equality: the existence of administrative capacity for the implementation and application of Union gender equality law and policy in the field of ESI Funds.</td>
<td>G2.a) Arrangements in accordance with the institutional and legal framework of Member States for the involvement of bodies responsible for gender equality throughout the preparation and implementation of programmes, including the provision of advice on gender equality in ESI Fund related activities.</td>
<td>Yes</td>
<td>National Policy for Gender Equality for the Period 2011-2015 (OG No 88/11)</td>
<td>Representatves of the bodie responsible for gender equality will be MC member.</td>
</tr>
<tr>
<td></td>
<td>G2.b) Arrangements for training for staff of the authorities involved in the management and control of the ESI Funds in the fields of Union gender equality law and policy as well as on gender mainstreaming.</td>
<td>No</td>
<td>National Policy for Gender Equality for the Period 2011-2015 (OG No 88/11)</td>
<td>Tailored -made training for staff involved in the implementation of the ESI Funds has not been developed yet.</td>
</tr>
<tr>
<td>G3) Disability: the existence of administrative capacity for the implementation and application of the United Nations Convention on the rights of persons with disabilities (UNCRPD) in the field of ESI Funds in accordance with Council Decision 2010/48/EC.</td>
<td>G3.a) Arrangements in accordance with the institutional and legal framework of Member States for the consultation and involvement of bodies in charge of protection of rights of persons with disabilities or representative organisations of persons with disabilities and other relevant stakeholders throughout the preparation and implementation of programmes.</td>
<td>No</td>
<td>National Strategy for Equalization of Opportunities for Persons with Disabilities 2007-2015 (OG No 63/07)</td>
<td>The Operational plan that should contribute to more effective monitoring of the implementation of the National strategy, is under the process of the preparation.</td>
</tr>
<tr>
<td></td>
<td>G3.b) Arrangements for training for staff of the authorities involved in the management and control of the ESI Funds in the fields of applicable Union and national disability law and policy, including accessibility and the practical application of the UNCRPD as reflected in Union and national legislation, as appropriate.</td>
<td>No</td>
<td>National Strategy for Equalization of Opportunities for Persons with Disabilities 2007-2015 (OG No 63/07)</td>
<td>This criteria is satisfied in the Partnership Agreement.</td>
</tr>
<tr>
<td></td>
<td>G3.c) Arrangements to ensure monitoring of the implementation of Article 9 of the UNCRPD in relation to the ESI Funds throughout the preparation and the implementation of the programmes.</td>
<td>No</td>
<td>National Strategy for Equalization of Opportunities for Persons with Disabilities 2007-2015 (OG No 63/07)</td>
<td>This criteria is satisfied in the Partnership Agreement.</td>
</tr>
<tr>
<td>G4) Public Procurement: the existence of arrangements for the</td>
<td>G4.a) Arrangements for the effective application of Union public</td>
<td>Yes</td>
<td>Efficient implementation and application</td>
<td>Institutional framework for the efficient</td>
</tr>
<tr>
<td>Criteria</td>
<td>Description</td>
<td>Result</td>
<td>Relevant Supervisory Instruments</td>
<td>Note</td>
</tr>
<tr>
<td>---</td>
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<td>---</td>
<td>---</td>
</tr>
<tr>
<td>G4.b)</td>
<td>Arrangements which ensure transparent contract award procedures.</td>
<td>Yes</td>
<td>Efficient implementation and application of Directives 2004/18/EC and 2004/17/EC ensured through the Public Procurement Act (OG No 090/2011, OG No 083/2013)</td>
<td>This criteria is satisfied in the Partnership Agreement.</td>
</tr>
<tr>
<td>G4.c)</td>
<td>Arrangements for training and dissemination of information for staff involved in the implementation of the ESI funds.</td>
<td>Yes</td>
<td>Efficient implementation and application of Directives 2004/18/EC and 2004/17/EC ensured through the Public Procurement Act (OG No 090/2011, OG No 083/2013)</td>
<td>This criteria is satisfied in the Partnership Agreement.</td>
</tr>
<tr>
<td>G4.d)</td>
<td>Arrangements to ensure administrative capacity for implementation and application of Union public procurement rules.</td>
<td>Yes</td>
<td>Efficient implementation and application of Directives 2004/18/EC and 2004/17/EC ensured through the Public Procurement Act (OG No 090/2011, OG No 083/2013)</td>
<td>This criteria is satisfied in the Partnership Agreement.</td>
</tr>
<tr>
<td>G5.a)</td>
<td>Arrangements for the effective application of Union State aid rules.</td>
<td>Yes</td>
<td>State Aid Law (OG 47/14)</td>
<td>State Aid Law ensured full implementation of EU state aid. This criteria is satisfied in the Partnership Agreement.</td>
</tr>
<tr>
<td>G5.b)</td>
<td>Arrangements for training and dissemination of information for staff involved in the implementation of the ESI funds.</td>
<td>Yes</td>
<td>State Aid Law (OG 47/14)</td>
<td>This criteria is satisfied in the Partnership Agreement.</td>
</tr>
<tr>
<td>G5.c)</td>
<td>Arrangements to ensure administrative capacity for implementation and application of Union State aid rules.</td>
<td>Yes</td>
<td>State Aid Law (OG 47/14)</td>
<td>This criteria is satisfied in the Partnership Agreement.</td>
</tr>
<tr>
<td>G6.a)</td>
<td>Arrangements for the effective application of Directive 2011/92/EU of the European Parliament and of the Council (EIA) and of Directive 2001/42/EC of the European Parliament and of the Council (SEA);</td>
<td>Yes</td>
<td>Environmental Protection Act (OG No. 80/13) Environmental Impact Assessment Ordinance (OG No. 64/08, 67/09) Regulation on Information and Participation of the Public and Public concerned in Environmental Matters (OG No. 64/08) Ordinance on the Committee for Strategic Assessment of plans and programmes (OG No. 70/08) Environmental Protection Act ensures full implementation of the EIA and SEA Directive.</td>
<td>This criteria is satisfied in the Partnership Agreement.</td>
</tr>
<tr>
<td>G6.b) Arrangements for training and dissemination of information for staff involved in the implementation of the EIA and SEA Directives.</td>
<td>Yes</td>
<td>IPA 2010 technical assistance project “Strengthening SEA Capacities on Regional and Local Level”, CARDS 2003 project &quot;Environmental Impact Assessment - Guidelines and Training&quot; National programme for Croatia within the framework of the IPA programme Transition Assistance and Institution Building for 2010 (under civil society building)</td>
<td>This criteria is satisfied in the Partnership Agreement</td>
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<tr>
<td>G6.c) Arrangements to ensure sufficient administrative capacity.</td>
<td>Yes</td>
<td>IPA 2010 technical assistance project “Strengthening capacities for SEA at regional and local level”</td>
<td>This criteria is satisfied in the Partnership Agreement</td>
<td></td>
</tr>
<tr>
<td>G7.a) Arrangements for timely collection and aggregation of statistical data with the following elements are in place: the identification of sources and mechanisms to ensure statistical validation</td>
<td>Yes</td>
<td>Programme of Statistical Surveys of the Republic of Croatia 2013 - 2017 (OG No. 69/13)</td>
<td>This criteria is satisfied in the Partnership Agreement</td>
<td></td>
</tr>
<tr>
<td>G7.b) Arrangements for timely collection and aggregation of statistical data with the following elements are in place: arrangements for publication and public availability of aggregated data</td>
<td>Yes</td>
<td>Programme of Statistical Surveys of the Republic of Croatia 2013 - 2017 (OG No. 69/13)</td>
<td>This criteria is satisfied in the Partnership Agreement</td>
<td></td>
</tr>
<tr>
<td>G7.c) An effective system of result indicators including: the selection of result indicators for each programme providing information on what motivates the selection of policy actions financed by the programme</td>
<td>Yes</td>
<td>Programme of Statistical Surveys of the Republic of Croatia 2013 - 2017 (OG No. 69/13)</td>
<td>This criteria is satisfied in the Partnership Agreement</td>
<td></td>
</tr>
<tr>
<td>G7.d) An effective system of result indicators including: the establishment of targets for these indicators</td>
<td>Yes</td>
<td>Programme of Statistical Surveys of the Republic of Croatia 2013 - 2017 (OG No. 69/13)</td>
<td>This criteria is satisfied in the Partnership Agreement</td>
<td></td>
</tr>
<tr>
<td>G7.e) An effective system of result indicators including: the consistency of each indicator with the following requisites: robustness and statistical validation, clarity of normative interpretation, responsiveness to policy, timely collection of data</td>
<td>Yes</td>
<td>Programme of Statistical Surveys of the Republic of Croatia 2013 - 2017 (OG No. 69/13)</td>
<td>This criteria is satisfied in the Partnership Agreement</td>
<td></td>
</tr>
<tr>
<td>G7.f) Procedures in place to ensure that all operations financed by the programme adopt an effective system of indicators</td>
<td>Yes</td>
<td>Programme of Statistical Surveys of the Republic of Croatia 2013 - 2017 (OG No. 69/13)</td>
<td>This criteria is satisfied in the Partnership Agreement</td>
<td></td>
</tr>
<tr>
<td>G7) Statistical systems and result indicators: the existence of a statistical basis necessary to undertake evaluations to assess the effectiveness and impact of the programmes. The existence of a system of result indicators necessary to select actions, which most effectively contribute to desired results, to monitor progress towards results and to undertake impact evaluation.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

G7) Statistical systems and result indicators: the existence of a statistical basis necessary to undertake evaluations to assess the effectiveness and impact of the programmes. The existence of a system of result indicators necessary to select actions, which most effectively contribute to desired results, to monitor progress towards results and to undertake impact evaluation.
| P3.1.a | A national or regional risk assessment with the following elements shall be in place: A description of the process, methodology, methods and non-sensitive data used for risk assessment as well as of the risk-based criteria for the prioritisation of investment; | No | Act on Protection against Natural Disasters (Official Gazette, No 73/97) Methodology for assessing damage caused by natural disasters (Official Gazette, No 96/98) Law on Protection and Rescue (OG 174/04, 79/07, 38/09, 127/10) | The existing regulation i.e. Law on Protection and Rescue and Law on Protection from Natural Disasters merely state the responsible body to deal with catastrophes in the Republic of Croatia. Law on Protection from Natural Disasters is relent when natural disasters effects agricultural production. This criteria is satisfied in the Partnership Agreement |
| P3.1.b | A national or regional risk assessment with the following elements shall be in place: A description of single-risk and multi-risk scenarios; | No | Act on Protection against Natural Disasters (Official Gazette, No 73/97) Methodology for assessing damage caused by natural disasters (Official Gazette, No 96/98) Law on Protection and Rescue (OG 174/04, 79/07, 38/09, 127/10) | The existing regulation i.e. Law on Protection and Rescue and Law on Protection from Natural Disasters merely state the responsible body to deal with catastrophes in the Republic of Croatia. This criteria is satisfied in the Partnership Agreement |
| P3.1.c | A national or regional risk assessment with the following elements shall be in place: Taking into account, where appropriate, national climate change adaptation strategies. | No | Act on Protection against Natural Disasters (Official Gazette, No 73/97) Methodology for assessing damage caused by natural disasters (Official Gazette, No 96/98) Law on Protection and Rescue (OG 174/04, 79/07, 38/09, 127/10) | The existing regulation i.e. Law on Protection and Rescue and Law on Protection from Natural Disasters merely state the responsible body to deal with catastrophes in the Republic of Croatia. This criteria is satisfied in the Partnership Agreement |
| P4.1.a | GAEC standards are defined in national law and specified in the programmes | Yes | Ordinance on cross-compliances (Official Gazette, No 27/14) | Cross-compliance includes the following requirements and conditions: good agricultural and environmental conditions (GAEC) and statutory management requirements (SMR). Good agricultural and environmental conditions and SMRs are defined by the Ordinance on cross-compliances (Official Gazette, No 27/14) which was adopted on the basis of the Act on State Support in Agriculture and Rural Development (Official Gazette No 80/13). |
| P4.2.a | Minimum requirements for fertilisers and plant protection products: minimum requirements for fertilisers and plant protection products referred to in Article 28 of Chapter I of Title III of Regulation (EU) No 1305/2013 are specified in the programmes; | Yes | Ordinance on cross-compliance (Official Gazette, No 27/14) | The requirements concerning the use of fertilisers and plant protection products are laid down by the Ordinance on cross-compliance (Official Gazette, No 27/14). |
| P4.3.a | Relevant mandatory national standards are specified in the programmes | Yes | Ordinance on the integrated production of agricultural products (Official Gazette, No 137/13, 59/14) | Agriculture holders on voluntary basis for the integrated production of agriculture products work in accordance with the rules of the integrated production of agricultural products. |
| P5.3.a | Transparent support schemes, priority in grid access or guaranteed access and priority in dispatching, as well as standard rules relating to the bearing and sharing of costs of technical adaptations which have been made public are in place consistent with Article 14(1) and Article 16(2) and (3) of Directive | Yes | Electricity Market Act (OJ 22/13) Tariff System for the production of electricity from renewable energy sources and cogeneration (OG 63/12) | Croatian authorities consider that all necessary secondary legislation is in place. This criteria is satisfied in the Partnership Agreement |
| 2009/28/EC; | Ordinance on Acquiring the status of eligible electricity producer (OG 67/70) Tariff System for the production of electricity from renewable sources and cogeneration (OG 33/07) Grid Code (OG 36/06) General Conditions for energy supply (OG 14/06) |
| P5.3.b) A Member State has adopted a national renewable energy action plan consistent with Article 4 of Directive 2009/28/EC | Yes | National Renewable action plan | The plan has been adopted by Government of the Republic of Croatia on 16 October 2013. This criteria is satisfied in the Partnership Agreement |
### 6.2.1. List of actions to be taken for general ex-ante conditionalities

<table>
<thead>
<tr>
<th>Applicable ex-ante conditionality at national level</th>
<th>Criteria Not Fulfilled</th>
<th>Action to be taken</th>
<th>Deadline</th>
<th>Bodies responsible for fulfillment</th>
</tr>
</thead>
<tbody>
<tr>
<td>G1) Anti-Discrimination: the existence of administrative capacity for the implementation and application of Union anti discrimination law and policy in the field of ESI Funds.</td>
<td>G1 b) Arrangements for training for staff of the authorities involved in the management and control of the ESI Funds in the fields of Union anti discrimination law and policy.</td>
<td>This will be defined as one of the measures of the new Antidiscrimination plan</td>
<td>31-12-2015</td>
<td>Office for Human Rights and Rights of National Minorities is responsible for development of the Anti-discrimination Plan, but it should be agreed between managing authorities who will be responsible for implementation of the measure</td>
</tr>
<tr>
<td>G2) Gender Equality: the existence of administrative capacity for the implementation and application of Union gender equality law and policy in the field of ESI Funds.</td>
<td>G2 b) Arrangements for training for staff of the authorities involved in the management and control of the ESI Funds in the fields of Union gender equality law and policy as well as on gender mainstreaming.</td>
<td>Plan needs to be developed for training on gender equality law and policy for staff involved in the implementation of the ESI Funds at all relevant levels.</td>
<td>31-12-2015</td>
<td>This criteria is satisfied in the Partnership Agreement</td>
</tr>
<tr>
<td>G3) Disability: the existence of administrative capacity for the implementation and application of the United Nations Convention on the rights of persons with disabilities (UNCRPD) in the field of ESI Funds in accordance with Council Decision 2010/48/EC</td>
<td>G3 a) Arrangements in accordance with the institutional and legal framework of Member States for the consultation and involvement of bodies in charge of protection of rights of persons with disabilities or representative organisations of persons with disabilities and other relevant stakeholders throughout the preparation and implementation of programmes.</td>
<td>Finalization of the Operational plan of the implementation of the National Strategy of Equalization of Opportunities for Persons with Disabilities 2014 – 2015</td>
<td>30-09-2014</td>
<td>This criteria is satisfied in the Partnership Agreement</td>
</tr>
<tr>
<td></td>
<td>G3 b) Arrangements for training for staff of the authorities involved in the management and control of the ESI Funds in the fields of applicable Union and national disability law and policy, including accessibility and the practical application of the UNCRPD as reflected in Union and national legislation, as appropriate.</td>
<td>Finalization of the Operational plan of the implementation of the National Strategy of Equalization of Opportunities for Persons with Disabilities 2014 – 2015</td>
<td>30-09-2014</td>
<td>This criteria is satisfied in the Partnership Agreement</td>
</tr>
<tr>
<td></td>
<td>G3 c) Arrangements to ensure monitoring of the implementation of Article 9 of the UNCRPD in relation to the ESI Funds throughout the preparation and the implementation of the programmes.</td>
<td>Finalization of the Operational plan of the implementation of the National Strategy of Equalization of Opportunities for Persons with Disabilities 2014 – 2015</td>
<td>30-09-2014</td>
<td>This criteria is satisfied in the Partnership Agreement</td>
</tr>
</tbody>
</table>
6.2.2. List of actions to be taken for priority linked ex-ante conditionalities

<table>
<thead>
<tr>
<th>Applicable ex-ante conditionality at national level</th>
<th>Criteria Not Fulfilled</th>
<th>Action to be taken</th>
<th>Deadline</th>
<th>Bodies responsible for fulfillment</th>
</tr>
</thead>
<tbody>
<tr>
<td>P3.1) Risk prevention and risk management: the existence of national or regional risk assessments for disaster management taking into account climate change adaptation</td>
<td>P3.1.a) A national or regional risk assessment with the following elements shall be in place: A description of the process, methodology, methods and non-sensitive data used for risk assessment as well as of the risk-based criteria for the prioritisation of investment;</td>
<td>Preparation national risk assessment Government Decision Establishment of the main Risk Assessment Working Group (mRAWG) Preparation of the Risk Assessment and Mapping Methodology Informing the Public</td>
<td>31-12-2015</td>
<td>Government of the Republic of Croatia National Protection and Rescue Directorate This criteria is satisfied in the Partnership Agreement</td>
</tr>
<tr>
<td></td>
<td>P3.1.b) A national or regional risk assessment with the following elements shall be in place: A description of single-risk and multi-risk scenarios;</td>
<td>Risk Identification Risk Analysis Multi-risk Analysis Risk Evaluation Risk Matrixes and Mapping the risks</td>
<td>31-12-2014</td>
<td>National Protection and Rescue Directorate Ministries from the Government decision This criteria is satisfied in the Partnership Agreement</td>
</tr>
<tr>
<td></td>
<td>P3.1.c) A national or regional risk assessment with the following elements shall be in place: Taking into account, where appropriate, national climate change adaptation strategies.</td>
<td>Considering climate change adaptation into risk assessment process.</td>
<td>31-12-2015</td>
<td>National Protection and Rescue Directorate Ministries from the Government decision This criteria is satisfied in the Partnership Agreement</td>
</tr>
</tbody>
</table>
## 7. Description of the Performance Framework

### 7.1. Indicators

<table>
<thead>
<tr>
<th>Priority</th>
<th>Applicable</th>
<th>Indicator and measurement unit, where appropriate</th>
<th>Target 2023 (a)</th>
<th>Adjustment top ups (b)</th>
<th>Milestone 2018 % (c)</th>
<th>Milestone absolute value (a-b)*c</th>
</tr>
</thead>
<tbody>
<tr>
<td>P2: Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests</td>
<td>X</td>
<td>Total Public Expenditure P2 (EUR)</td>
<td>509,556,251,10</td>
<td>20%</td>
<td>101,911,250,22</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Number of agricultural holdings with RDP support for investment in restructuring or modernisation (focus area 2A) + holdings with RDP supported business development plan/investment for young farmers (focus area 2B)</td>
<td>2,800,00</td>
<td>22%</td>
<td>616,00</td>
<td></td>
</tr>
<tr>
<td>P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture</td>
<td>X</td>
<td>Total Public Expenditure P3 (EUR)</td>
<td>288,946,544,96</td>
<td>35%</td>
<td>101,131,290,74</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Number of supported agricultural holdings receiving support for participating in quality schemes, local markets/short supply circuits, and producer groups (focus area 3A)</td>
<td>1,400,00</td>
<td>10%</td>
<td>140,00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>X</td>
<td>Number of agricultural</td>
<td>8,267,00</td>
<td>60%</td>
<td>4,960,20</td>
<td></td>
</tr>
<tr>
<td>Focus Area</td>
<td>Description</td>
<td>Total Public Expenditure P4 (EUR)</td>
<td>%</td>
<td>Total Public Expenditure P5 (EUR)</td>
<td>%</td>
<td></td>
</tr>
<tr>
<td>------------</td>
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<td>----------------------------------</td>
<td>----</td>
<td></td>
</tr>
<tr>
<td>3B</td>
<td>Holdings participating in risk management schemes (focus area 3B)</td>
<td>614,388,461,79</td>
<td>50%</td>
<td>307,194,230,90</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### P6: Promoting social inclusion, poverty reduction and economic development in rural areas

<table>
<thead>
<tr>
<th>Operation Description</th>
<th>Total Public Expenditure P6 (EUR)</th>
<th>% of Total Expenditure</th>
<th>Direct Public Expenditure P6 (EUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management contracts targeting reduction of GHG and/or ammonia emissions (ha)</td>
<td>450,154,946.35</td>
<td>12%</td>
<td>54,018,593.56</td>
</tr>
<tr>
<td>+ Irrigated land switching to more efficient irrigation system (ha)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of operations supported to improve basic services and infrastructures in rural areas (focus areas 6B and 6C)</td>
<td>1,027.00</td>
<td>12%</td>
<td>123,24</td>
</tr>
<tr>
<td>Population covered by LAG (focus area 6B)</td>
<td>1,427,724.00</td>
<td>60%</td>
<td>856,634.40</td>
</tr>
</tbody>
</table>
7.1.1. P2: Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests

7.1.1.1. Indicator and measurement unit, where appropriate: Total Public Expenditure P2 (EUR)

Applicable: Yes
Target 2023 (a): 509,556,251,10
Adjustment top ups (b):
Milestone 2018 % (c): 20%
Milestone absolute value (a-b)*c: 101,911,250,22
Justification for the milestone setting:

The Milestone has been determined on the basis of successful implementation of IPARD measures and the implementation schedule of calls for proposals, with several calls published for specific sub-measures annually in the implementation period. However, due attention has also been paid to the realistic timeframe for the closure of projects which shall range from short to medium duration in establishing a feasible and realistic financial indicator for this Priority. The consolidated trend towards farm consolidation in the SWOT analysis provides a clear indication of potential beneficiary interest which is being supported by an information campaign. The use of an on-line system of applications and a significant reduction in the administrative burden for contracting will also contribute to a timely implementation of these Measures. Guidance to beneficiaries shall be provided on key issues such as public procurement and their responsibilities to mitigate the key risks in achieving the milestone.

7.1.1.2. Indicator and measurement unit, where appropriate: Number of agricultural holdings with RDP support for investment in restructuring or modernisation (focus area 2A) + holdings with RDP supported business development plan/investment for young farmers (focus area 2B)

Applicable: Yes
Target 2023 (a): 2,800,00
Adjustment top ups (b):
Milestone 2018 % (c): 22%
Milestone absolute value (a-b)*c: 616,00
Justification for the milestone setting:

Experiences from IPARD in investments measures are a solid base for envisaging the timely start of implementation of priority 2 measures and the realistic assessment of the Milestone value. Ordinances are currently in preparation and accreditation procedures ongoing, bearing in mind also the experience of the Paying Agency in this area. The interest of potential beneficiaries in these Measures has been surveyed through a Expression of Interest published by the MoA between 1 July 2013 and 1 September 2013. Specific analysis of the sectors replying and their location will allow for an intensive information campaign in targeted areas before and during the launch of calls to foster take-up where IPARD experience is low or lacking. The Advisory Service has been actively disseminating information at a more informal ad-hoc level. Given that some operations - particularly for small farms - will have short-term implementation, this milestone is slightly higher than the financial one. This analysis has supported the
identification of the target and milestone.

7.1.2. P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture

7.1.2.1. Indicator and measurement unit, where appropriate: Total Public Expenditure P3 (EUR)

Applicable: Yes
Target 2023 (a): 288.946.544,96
Adjustment top ups (b):
Milestone 2018 % (c): 35%
Milestone absolute value (a-b)*c: 101.131.290,74
Justification for the milestone setting:

The maturity of the project pipeline for demining operations and the planned implementation of Measure 5 in 2014 following the recognition of a natural disaster in Vukovar-Srijem in May 2014 has allowed for a realistic identification of the milestone value. Concerning final targets for risk management, due to the very nature of Measure 5, this may need revision. Concerning actions for quality scheme promotion, short-supply circuits and producer groups, due consideration has been taken of the current lack of experience in Croatia, as clearly evidenced in the SWOT. However, specific and targeted awareness-raising information actions are planned for potential beneficiaries and dedicated knowledge transfer to support new forms of associative actions in order to reach Milestone targets.

7.1.2.2. Indicator and measurement unit, where appropriate: Number of supported agricultural holdings receiving support for participating in quality schemes, local markets/short supply circuits, and producer groups (focus area 3A)

Applicable: Yes
Target 2023 (a): 1.400,00
Adjustment top ups (b):
Milestone 2018 % (c): 10%
Milestone absolute value (a-b)*c: 140,00
Justification for the milestone setting:

The very recent interest in quality schemes, evidenced by the number of products in the recognition process both at national and EU level, and the recognized high value of Croatian traditional production will contribute to the achievement of this target. The consistent increase in organic farming production and success of national support schemes in the past are also relevant in establishing the milestone. Specific actions to foster awareness of the advantages for agricultural holdings as members of producer groups and information on the Registration process relative to each sector should contribute to a gradual take-up, but due consideration has been taken of their novelty and historical negative connotations amongst many farmers. It is envisaged that this will also be attractive for farmers in organic and integrated farming and new entrants so take-up should quicken in the second half of implementation to meet the target.
7.1.2.3. Indicator and measurement unit, where appropriate: Number of agricultural holdings participating in risk management schemes (focus area 3B)

Applicable: Yes
Target 2023 (a): 8.267,00
Adjustment top ups (b):
Milestone 2018 % (c): 60%
Milestone absolute value (a-b)*c: 4.960,20
Justification for the milestone setting:

Aside from the specific cases under Measure 5, Risk management has a consolidated tradition in Croatia in the pre-accession period through risk policies supported at both national and county level through contributions to insurance premiums. The interest is expected to grow significantly due to a higher support rate and increasing awareness of climate change risk.

7.1.3. P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry

7.1.3.1. Indicator and measurement unit, where appropriate: Total Public Expenditure P4 (EUR)

Applicable: Yes
Target 2023 (a): 614.388.461,79
Adjustment top ups (b):
Milestone 2018 % (c): 50%
Milestone absolute value (a-b)*c: 307.194.230,90
Justification for the milestone setting:

Based on the implementation of IACS measures in Croatia, and national support schemes for less-favoured areas and organic farming, realistic and feasible targets and milestones have been determined. Organic farming production has been estimated to increase at the same yearly rate as in the past 5 years, on average, to establish payment targets. However, given the complexity of the accreditation process for new measures, the need to ensure the correct commitments are clear to all beneficiaries and the cross-checks to be in place, as well as the lack of experience for AECM implementation in Croatia, a cautious approach has been taken to the implementation schedule which shall come into play from 2015. Implementation will be supported by obligatory training and knowledge-transfer for AECM beneficiaries and bespoke AECM monitoring as part of evaluation activities in the Evaluation Plan.

7.1.3.2. Indicator and measurement unit, where appropriate: Agricultural land under management contracts contributing to biodiversity (ha) (focus area 4A) + improving water management (ha) (focus area 4B) + improving soil management and/preventing soil erosion (ha) (focus area 4C)

Applicable: Yes
Target 2023 (a): 119.525,00
Adjustment top ups (b):
Milestone 2018 % (c): 75%
Milestone absolute value (a-b)*c: 89.643.75
Justification for the milestone setting:

Interest in organic farming and measure to support less-favoured areas nationally in Croatia have been successful prior to this programming period and provide an indicator of potential interest and take-up of AECD measures. Furthermore, informal dissemination by the Advisory Service on these measures at individual farm level has been in place during the last year in order to prepare the terrain. Specific prioritisation for areas in Natura 2000 sites has also been taken into consideration.

7.1.4. P5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors

7.1.4.1. Indicator and measurement unit, where appropriate: Total Public Expenditure P5 (EUR)

Applicable: Yes
Target 2023 (a): 217.451.903,85
Adjustment top ups (b):
Milestone 2018 % (c): 20%
Milestone absolute value (a-b)*c: 43.490.380,77
Justification for the milestone setting:

Investments in energy production from renewable sources are part of the national strategy and commitments to 20% energy production from renewable sources planned to reach in 2020 provides an appropriate framework, which will need to be supported by a targeted information campaign on the opportunities offered by the RDP. Furthermore, specific advisory services and demonstration actions in this field are envisaged to increase awareness for take-up in the second half of the programme. Concerning actions in forestry measures, as these were not eligible under IPARD, the milestone has been identified appropriately. However, the constant consultation and feedback on measures with forestry stakeholders coordinated by the Working Group, interest from the field (partially shown in the survey Expression of Interest published by the MoA between 1 July 2013 and 1 September 2013) and the trends in forestry investments outside IPARD have indicated the appropriate level of maturity in establishing the milestone.

7.1.4.2. Indicator and measurement unit, where appropriate: Number of investment operations in energy savings and efficiency (focus area 5B) + in renewable energy production (focus area 5C)

Applicable: Yes
Target 2023 (a): 57.195.302,00
Adjustment top ups (b):
Milestone 2018 % (c): 20%
Milestone absolute value (a-b)*c: 11.439.060,40
Justification for the milestone setting:

This milestone has been defined taking into the consideration the planned implementation schedule for
the specific types of operations and the publication of calls for proposals as well as the assessment of the implementation risks in terms of time-frame for implementation and closure of a wide range of short and medium-term operations under this Priority area.

7.1.4.3. Indicator and measurement unit, where appropriate: Agricultural and forest land under management to foster carbon sequestration/conservation (ha) (focus area 5E) + Agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions (ha) (focus area 5D) + Irrigated land switching to more efficient irrigation system (ha) (focus area 5A)

Applicable: Yes
Target 2023 (a): 2.600,00
Adjustment top ups (b):
Milestone 2018 % (c): 23%
Milestone absolute value (a-b)*c: 598,00
Justification for the milestone setting:

This milestone has been identified taking into consideration the lack of experience in implementing these types of measures in Croatia, and a reasoned implementation schedule of measures.

7.1.5. P6: Promoting social inclusion, poverty reduction and economic development in rural areas

7.1.5.1. Indicator and measurement unit, where appropriate: Total Public Expenditure P6 (EUR)

Applicable: Yes
Target 2023 (a): 450.154.946,35
Adjustment top ups (b):
Milestone 2018 % (c): 12%
Milestone absolute value (a-b)*c: 54.018.593,56
Justification for the milestone setting:

The experience of LAGs under IPARD provides indications for establishing this milestone. However, the number of LAGs and population coverage is insufficient. Therefore, sub-Measure 5.1 must be completed before any further implementation can take place. Since the majority of the funds available shall be for the implementation of the LDS each LAG draws up, there is necessarily a lengthy preparation period, and the identification of the milestone has taken this into due consideration.

7.1.5.2. Indicator and measurement unit, where appropriate: Number of operations supported to improve basic services and infrastructures in rural areas (focus areas 6B and 6C)

Applicable: Yes
Target 2023 (a): 1.027,00
Adjustment top ups (b):
Milestone 2018 % (c): 12%
Milestone absolute value (a-b)*c: 123,24

Justification for the milestone setting:

Measures from IPARD in providing basic services and local infrastructure have shown a solid system is in place to provide the basis for implementation. However, given the necessary timing for the implementation of the CLLD approach, and the wide range of medium term operations that could be financed under this Priority, as well as the varying capacities of local self-government units, a realistic and feasible target has been established. The fact that LAGs under IPARD did not have any role in selecting and implementing operations has also been taken into consideration.

7.1.5.3. Indicator and measurement unit, where appropriate: Population covered by LAG (focus area 6B)

Applicable: Yes

Target 2023 (a): 1,427,724,00

Adjustment top ups (b):

Milestone 2018 % (c): 60%

Milestone absolute value (a-b)*c: 856,634,40

Justification for the milestone setting:

This target has been identified considering the planned implementation of the LAG sub-measures and planned increase in the number of LAGs. It as also taken into consideration the fact that insufficient resources were available under IPARD to fund the potential LAGs 2007-2013 so a realistic and feasible milestone can be met.
### 7.2. Alternative indicators

<table>
<thead>
<tr>
<th>Priority</th>
<th>Applicable</th>
<th>Indicator and measurement unit, where appropriate</th>
<th>Target 2023 (a)</th>
<th>Adjustment top ups (b)</th>
<th>Milestone 2018 % (c)</th>
<th>Milestone absolute value (a-b)*c</th>
</tr>
</thead>
<tbody>
<tr>
<td>P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture</td>
<td>X</td>
<td>Agricultural land de-mined (ha)</td>
<td>7.000,00</td>
<td></td>
<td>85%</td>
<td>5.950,00</td>
</tr>
</tbody>
</table>

#### 7.2.1. P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture

**7.2.1.1. Indicator and measurement unit, where appropriate: Agricultural land de-mined (ha)**

- **Applicable:** Yes
- **Target 2023 (a):** 7.000,00
- **Adjustment top ups (b):**
- **Milestone 2018 % (c):** 85%
- **Milestone absolute value (a-b)*c:** 5.950,00

**Justification for the milestone setting:**

De-mining of agricultural land is one of the strategic objectives set by this programme. Approximately 30% of the allocation under P3 is dedicated to this target. Croatia intends to fulfill this commitment by the end of 2018 in order to respect the Ottawa convention in which Croatia committed itself to the removal of landmines by March 1st 2019. The 15% difference from the final target is related to calculation of milestone taking into account that only completed operations can be calculated.
### 7.3. Reserve

<table>
<thead>
<tr>
<th>Priority</th>
<th>Total union contribution planned (€)</th>
<th>Total union contribution planned (€) subject to the performance reserve</th>
<th>Performance reserve (€)</th>
<th>Min performance reserve (Min 5%)</th>
<th>Max performance reserve (Max 7%)</th>
<th>Performance reserve rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>P2: Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests</td>
<td>570.637.565,46</td>
<td>586.569.481,36</td>
<td>35.194.168,88</td>
<td>29.328.474,07</td>
<td>41.059.863,70</td>
<td>6%</td>
</tr>
<tr>
<td>P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture</td>
<td>246.099.007,66</td>
<td>252.969.969,07</td>
<td>15.178.198,14</td>
<td>12.648.498,45</td>
<td>17.707.897,84</td>
<td>6%</td>
</tr>
<tr>
<td>P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry</td>
<td>522.430.192,02</td>
<td>537.016.182,13</td>
<td>32.220.970,92</td>
<td>26.850.809,11</td>
<td>37.591.132,75</td>
<td>6%</td>
</tr>
<tr>
<td>food and forestry sectors</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>---------------------------</td>
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<td></td>
</tr>
</tbody>
</table>
8. Description of Each of the Measures Selected

8.1. Description of the general conditions applied to more than one measure including, when relevant, definition of rural area, baselines, cross-compliance, intended use of financial instruments, intended use of advances, common provisions for investments, etc.

Definition of Rural Area

The rural area at programme level is defined as the whole territory of Croatia with the exclusion of the administrative centres of four cities (Zagreb, Split, Rijeka and Osijek). A total of 3,217,117 inhabitants (75.08% of total population) and 56,164 km² of the rural area (99.24% of total territory) are covered by this definition.

Apart from these general provisions on the area of implementation, the Programme defines areas of implementation for each measure/sub-measure/type of operation if appropriate. Thus, in measure 19, investments are eligible in all settlements that have up to 25,000 inhabitants, while in measure 7, specific investments are limited to settlements that have up to 2,000, 5,000 or 10,000 inhabitants depending on the sub-measure and type of operation.

Beneficiaries

The list of eligible beneficiaries is defined for each measure. Companies in difficulty within the meaning of the EU guidelines for state aid in the agriculture and forestry, and the EU guidelines on state aid for rescuing and restructuring enterprises in difficulty are ineligible.

Intended use of Financial Instruments

The MA has not programmed the use of Financial instruments at this stage. However, the possibility of using Financial Instruments shall be assessed during Programme implementation within the evaluation activities planned in the Evaluation Plan, particularly concerning measures relating to Priority 2 and if envisaged, the consequent modification of the RDP proposed.

Eligible expenditures

In addition to the expenditures identified in each measure, the following general costs are considered eligible (where applicable) and may be claimed prior to the submission of the application providing that they have been incurred after 1 January 2014:

- General costs such as services of architects, engineers (including surveyors) and consultants, feasibility studies, the acquisition of patent rights and licenses to 10% of total public support, the cost of developing forest management plans and their equivalent.

Where required by law, the costs of Environmental Impact Assessment are eligible as general costs.

A specific derogation applies for Measure 4.3.3 Improvement of forest infrastructure where general costs up to 15% may be eligible.

Ineligible expenditures
In all measures, as appropriate, following expenditures are ineligible:

- VAT, excluding VAT which is permissible as an expense in accordance with national legislation on VAT and other taxes, fees (municipal and water), contributions,

- interest,

- simple replacement investments;

- costs related to leasing contract such as rent, interest refinancing costs, overheads and insurance costs,

- purchase of rights to agricultural production, payment eligibility, purchase of animals, and purchasing and planting annual plants

- costs incurred before applying for call, except general costs

**Second-hand equipment:**

The use of second-hand equipment is envisaged as a derogation only in Measures 5 and 8 as specified in the specific types of operation, in accordance with art. 45 (6) of Regulation 1305/2013.

**Advance payments**

In accordance with Article 45(4) of Regulation 1305/2013, beneficiaries of investment related support may request the payment of an advance of up to 50 % of the public aid related to the investment from the competent paying agencies within the framework of this Programme

Payment of advances shall be subject to the establishment of a bank guarantee or an equivalent guarantee corresponding to 100 % of the amount of the advance. As regards public beneficiaries, advances shall be paid to municipalities, regional authorities and associations thereof, as well as to public law bodies. A facility provided as a guarantee by a public authority shall be considered equivalent to the guarantee referred to in the first subparagraph, provided that the authority undertakes to pay the amount covered by that guarantee if entitlement to the advance paid is not established.

Advance payments are envisaged in the following measures/sub-measures:

**Measure 3: Quality schemes for agricultural products and foodstuffs**

Sub-measure:

3.2: Support for information and promotion costs

**Measure 4: Investments in physical assets**

Sub-measures:

4.1. Support for investments in agricultural holdings,
4.2. Support for investments in processing/marketing and/or development of agricultural products,

4.3. Support for investments in infrastructure related to development, modernisation or adaptation of agriculture and forestry,

4.4. Support for non-productive investments linked to the achievement of agri-environment-climate objectives

**Measure 5: Restoration of agricultural production potential damaged by natural disasters and catastrophic events and introduction of appropriate prevention activities**

Sub-measure:

5.2: Support for investments in restoring agricultural land and production potential damaged by natural disasters, adverse climate conditions and catastrophic events.

**Measure 6: Farm and business development**

Sub-measures:

6.1: Support for young farmers

6.2: Support for investments in establishing non-agricultural activities

6.3: Start-up aid for the development of small farms

6.4: Investments in the development of non-agricultural activities in rural areas

**Measure 7: Basic services and village renewal in rural areas**

Sub-measures:

7.1. Drawing up and updating plans for the development of municipalities and settlements in rural areas

7.2. Investments in the construction, improvement or expansion of all types of small-scale infrastructure

7.4. Investments in establishing, improving or expanding local basic services for the rural population, including leisure and cultural activities and the accompanying infrastructure

7.5. Investments in facilities intended for public use, such as recreational infrastructure, tourist information and small-scale tourism infrastructure

**Measure 19: LEADER**

Sub-measure:

19.4: Running costs and animation
Environmental Impact Assessment

An Environmental Impact Assessment has to be prepared for all investments requiring an EIA in accordance with national legislation (Law on Spatial Planning and Construction), as a prerequisite for obtaining building permits and other certificates.

Duration of commitments

Beneficiaries of measures 28 and 29 must undertake the commitments defined in the Ordinance, during the next five-year period. A derogation is possible only in the following cases:

- if the beneficiary after four consecutive years stops agricultural production or if his successor as owner of the agricultural holding is not able to continue with undertaken commitments;
- in case of force majeure or exceptional circumstances as set out in Article 2 (2) of Regulation 1306/2013.

Baselines and Cross-compliance

For cross-compliance, the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council are established in national legislation: Ordinance on cross-compliance (Pravilnik o višestrukoj sukladnosti).

The relevant criteria and minimum activities are established in Croatia pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council which is directly applicable.

The relevant minimum requirements for fertilisers and plant protection products use are established in: Law on sustainable use of pesticides (Zakon o održivoj uporabi pesticida).

8.2. Description by measure

8.2.1. M01 - Knowledge transfer and information actions (art 14)

8.2.1.1. Legal basis


8.2.1.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

The specific training and knowledge transfer on sustainable practices, agri-environmental issues and innovation is vital to promote the economic growth and development of rural areas in Croatia and improve the sustainability, competitiveness, resource efficiency and environmental performance of the agricultural and forestry holdings.

The objective of the measure is to provide specific training to farmers who are holders of AHs, and managers and employees in the agricultural, food-processing and forestry sector, and young farmers, increasing the use of new methods of production based on the results of research and development, innovative practices, the competitiveness of the farms and associations as well as ensure a better understanding of the protection and conservation of nature and landscape, thereby directly contributing to address Need 1. Knowledge transfer to private forestry holders will contribute to addressing Need 4. Specific training and knowledge transfer activities are obligatory for those receiving support under agri-environment and climate measures, addressing Need 16, and organic farming. The measure will also support demonstration actions that showcase the latest technology in the sectors and sustainable or innovative working practices to participants thereby enabling knowledge exchange.

Training activities through this measure will contribute to improving productivity and competitiveness in the said sectors, ease full compliance with European Union standards, preserve and enhance biodiversity and increase the understanding of the complex requirements of environmental protection and food quality and safety.

The support does not cover courses which are included in regular educational programmes and which are part of normal education programmes or systems at secondary or higher levels or established vocational training courses in the sectors.

**Contribution to focus areas**

This is a horizontal measure that has an impact on all the priorities. Above all, the measure contributes to priority 1 "Fostering knowledge transfer and innovation in agriculture, forestry and rural areas", specifically to focus area 1A "fostering innovation, cooperation, and the development of knowledge base in rural areas" and 1C "fostering lifelong learning and vocational training in the agricultural and forestry sectors". It is programmed with a focus on the following focus areas:

**Priority 2. Enhancing the profitability of agricultural holdings and competitiveness of all types of agriculture in all regions, and fostering innovative agricultural technologies and sustainable forest management, with emphasis on the following focus areas:**

Focus Areas 2A: Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increase market participation and orientation as well as agricultural diversification

Focus area 2B: Facilitating entry of adequately skilled farmers into the agricultural sector, with an emphasis on generational renewal.
Priority 3 "Promoting food chain organization and risk management in agriculture"

Focus Area 3A Improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and organisations and inter-branch organisations

Priority 4 "Restoring, preserving and enhancing ecosystems dependent on agriculture and forestry" Focus Areas

Focus Area 4A: Restoring, preserving and enhancing biodiversity, (including in Natura 2000 areas, in areas facing natural or other specific constraints), high nature value farming, and the state of European landscapes

Focus Area 4B: Improving water management, including fertilisers and pesticides management

Focus Area 4C: Preventing soil erosion and improving soil management

Priority 5 "Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors".

Focus area 5C: Facilitating the supply and use of renewable sources of energy, of by-products, wastes and residue and of other non-food raw material, for the purposes of the bio-economy;

Focus area 5D: Reducing greenhouse gas and ammonia emissions caused by agricultural activity;

Focus area 5E: fostering carbon conservation and sequestration in agriculture and forestry;

**Contribution to cross-cutting objectives**

This measure contributes to the realisation of cross-cutting objectives related to climate change mitigation and adaptation, environment and innovation.

Climate change adaptation and mitigation - knowledge transfer opportunities will include, for example providing adaptation related information alongside other knowledge transfers and ensuring non-adaptation information is valid for expected future climate scenarios.

Environmental protection – A higher level of knowledge will contribute to raising awareness on environmental protection, increasing the degree of protection of natural resources and biological diversity, improving the protection of waters, and the understanding of the potential environmental impacts (positive and negative) of agriculture and forest management. Attendance of training courses and demonstration actions will be obligatory for all beneficiaries of AEC measures as specified in Measure 10 and farmers taking up organic farming.

Innovation- an efficient transfer of knowledge is the basic precondition for building an expert base and, consequently, establishing a favourable climate for fostering innovation in rural areas. Innovation in practice shall be showcased through Demonstration activities.
8.2.1.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regards to the setting of selection criteria

8.2.1.3.1. O_01: Vocational training for cross-compliance, agriculture, environment and climate measures and organic farming

Sub-measure:

- 1.1 - support for vocational training and skills acquisition actions

8.2.1.3.1.1. Description of the type of operation

The activities planned under this operation will address the lack of a knowledge basis on agri-environmental issues in Croatia. The provision of specific training courses and knowledge transfer through seminars, workshops, short training courses will form part of an obligatory package of measures for those receiving support under Agriculture, environment and climate conditions, and beneficiaries taking up organic farming.

All the beneficiaries of Agriculture, environment and climate conditions support shall attend 18 hours of training related to the agri-environment-climate measure during the first two commitment years. In the following years, beneficiaries shall select at least one from a range of short seminars and workshop or attendance on a specific demonstration activity or benefit from the tailored advice under M02.

In the case of organic farming, beneficiaries shall follow training courses of at least 18 hours. The supported activities shall be:

- Short-term training and knowledge transfer seminars - workshops for 6-18 hours.

In the case of the forestry sector, training and knowledge transfer seminars are intended for private forest holders. The supported activities shall be:

- Short-term training and knowledge transfer seminars - workshops for 6-18 hours.

8.2.1.3.1.2. Type of support

Support shall be awarded to selected knowledge transfer providers upon executed training according to an established reporting schedule.

8.2.1.3.1.3. Links to other legislation

Public Procurement Act.
8.2.1.3.1.4. Beneficiaries

The beneficiaries of this type of operation are:

- Public and private entities which provide vocational training and knowledge transfer services
- the Ministry of Agriculture and its in-house bodies.

The target groups are beneficiaries of agri-environment and climate measures, organic farmers and private forest holders benefitting from funding from the RDP.

8.2.1.3.1.5. Eligible costs

a) cost for preparation and implementation of vocational training courses, seminars and workshops (salaries of employees, costs and travel costs and per diem cost for trainers), costs for the preparation and production of training materials (teaching materials and equipment), course evaluation costs,

b) the costs of premises where the vocational training is held and refreshments as applicable,

c) costs of participants (travel, accommodation, per diem expenses) paid to the providers of the service.

Participants' expenses are only eligible on completion of the vocational training. Eligible costs actually incurred will be reimbursed on the presentation of invoices by the participants according to the limits established.

8.2.1.3.1.6. Eligibility conditions

Potential beneficiaries must:

- Have the appropriate capacities in the form of staff qualifications and regular training to carry out this task;

- be registered for the provision of vocational training or be recognised as vocational training providers for the purposes of the tender subject to meeting all the required conditions;

- have evidence of adequate location and facilities for the training to be carried out.

Courses included in formal vocational programmes or which are part of recognised secondary or tertiary education programmes will not be eligible.

8.2.1.3.1.7. Principles with regards to the setting of selection criteria

The selection criteria for the eligible projects will be laid down in the Ordinance according to the Most Economically Advantageous Tender principle and shall be based on the following principles:
- the evaluation of the programme (quality and content of the programme);
- contractor references (qualifications and experience in training on the specific field);
- geographical distribution of training

Service providers shall be selected through a public tender in accordance with national public procurement procedures or in accordance with ECJ case-law for in-house providing.

8.2.1.3.1.8. (Applicable) amounts and support rates

Intensity of the support amounts to 100% of eligible costs.

8.2.1.3.1.9. Verifiability and controllability of the measures and/or types of operations

8.2.1.3.1.9.1. Risk(s) in the implementation of the measures

The risks are identified on measure level.

8.2.1.3.1.9.2. Mitigating actions

The mitigating actions are identified on measure level.

8.2.1.3.1.9.3. Overall assessment of the measure

This type of operation is controllable and verifiable.

8.2.1.3.1.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.1.3.1.11. Information specific to the operation

Definition of appropriate capacities of bodies providing knowledge transfer services to carry out their tasks in the form of staff qualifications and regular training

In terms of staff qualifications, bodies providing knowledge transfer services will have to demonstrate as part of the application:

- A sufficient number of staff with a relevant university or post-graduate qualification and 3 years
experience or with 15 years professional experience in the field of the knowledge transfer action
• The establishment and operation of a training and professional development programme for staff before the submission of the application

For knowledge transfer actions carried out by the in-house services, arrangements shall be put in place to ensure that their capacity meets the above minimum requirements and that staff carrying out the service are appropriately experienced and qualified in accordance with the qualifications above. This shall include a suitable programme of training and continuous professional development.

Definition of the duration and content of farm and forest exchange schemes and visits as referred to in Article 3 of [DA RD – C(2014)1460]

| Not applicable. |
8.2.1.3.2. O_02: Vocational training for farmers

Sub-measure:

- 1.1 - support for vocational training and skills acquisition actions

8.2.1.3.2.1. Description of the type of operation

The activities planned under this operation will address the lack of a knowledge basis for farmers to increase their competitiveness. A set of short term training courses will be offered to farmers on sustainable and efficient agricultural practices, modernisation and technological advances, marketing and economic efficiency.

- Short-term courses of 6-18 hours.

8.2.1.3.2.2. Type of support

Support shall be awarded to selected knowledge transfer providers upon executed training according to an established reporting schedule.

8.2.1.3.2.3. Links to other legislation

Agriculture Act;
Act on Fertilisers and Soil Improvers;
Act on Plant Health;
Environmental Protection Act;
Act on sustainable Waste Act Management.

8.2.1.3.2.4. Beneficiaries

The beneficiaries of this type of operation are:

- Public and private entities which provide vocational training and knowledge transfer services
- the Ministry of Agriculture and its in-house bodies.

The target group is farmers.
8.2.1.3.2.5. Eligible costs

a) cost for preparation and implementation of vocational training courses, seminars and workshops (salaries of employees, costs and travel costs and per diem cost for trainers), costs for the preparation and production of training materials (teaching materials and equipment), course evaluation costs,

b) the costs of premises where the vocational training is held and refreshments as applicable,

c) costs of participants (travel, accommodation, per diem expenses) paid to the providers of the service.

Participants' expenses are only eligible on completion of the vocational training. Eligible costs actually incurred will be reimbursed on the presentation of invoices according to the limits established.

8.2.1.3.2.6. Eligibility conditions

Potential beneficiaries must:

- Have the appropriate capacities in the form of staff qualifications and regular training to carry out this task.

- be registered for the provision of vocational training or be recognised as vocational training providers for the purposes of the tender subject to meeting all the required conditions;

- have evidence of adequate location and facilities for the training to be carried out.

Courses included in formal regular educational vocational programmes or which are part of recognised secondary or tertiary education programmes will not be eligible.

8.2.1.3.2.7. Principles with regards to the setting of selection criteria

The selection criteria for the eligible projects will be laid down in the Ordinance according to the Most Economically Advantageous Tender principle and shall be based on the following principles:

- the evaluation of the programme (quality and content of the programme);

- contractor references (qualifications and experience in training on the specific field);

- regional parameters (provision of training in underdeveloped areas);

- geographical distribution of training

Service providers shall be selected through a public tender in accordance with national public procurement procedures or in accordance with ECJ case-law for in-house providing.
8.2.1.3.2.8. (Applicable) amounts and support rates

Intensity of the support amounts to 100% of eligible costs.

8.2.1.3.2.9. Verifiability and controllability of the measures and/or types of operations

8.2.1.3.2.9.1. Risk(s) in the implementation of the measures

The risks are identified on measure level.

8.2.1.3.2.9.2. Mitigating actions

The mitigating actions are identified on measure level.

8.2.1.3.2.9.3. Overall assessment of the measure

This type of operation is controllable and verifiable.

8.2.1.3.2.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable

8.2.1.3.2.11. Information specific to the operation

Definition of appropriate capacities of bodies providing knowledge transfer services to carry out their tasks in the form of staff qualifications and regular training

In terms of staff qualifications, bodies providing knowledge transfer services will have to demonstrate as part of the application:

- A sufficient number of staff with a relevant university or post-graduate qualification and 3 years experience or with 15 years professional experience in the field of the knowledge transfer action

- The establishment and operation of a training and professional development programme for staff before the submission of the application

For knowledge transfer actions carried out by the in-house services, arrangements shall be put in place to ensure that their capacity meets the above minimum requirements and that staff carrying out the service are appropriately experienced and qualified in accordance with the qualifications above. This shall include a suitable programme of training and continuous professional development.
Definition of the duration and content of farm and forest exchange schemes and visits as referred to in Article 3 of [DA RD – C(2014)1460]

Not applicable.
8.2.1.3.3. O_03: Vocational training for young farmers

Sub-measure:

- 1.1 - support for vocational training and skills acquisition actions

8.2.1.3.3.1. Description of the type of operation

The activities planned under this operation will address the lack of a knowledge basis for young farmers who do not have any vocational qualification. They will take on the commitment to follow a specific training programme (medium term training courses) on sustainable agricultural practices, resource efficiency and environmental performance and economic efficiency.

- Medium-term training courses for 20-40 hours. The training courses may include on-line elements as part of a blended training programme, given the nature of the target group, as well as workshops.

8.2.1.3.3.2. Type of support

Support shall be awarded to selected knowledge transfer providers upon executed training according to an established reporting schedule.

8.2.1.3.3.3. Links to other legislation

Public Procurement Act.

8.2.1.3.3.4. Beneficiaries

The eligible beneficiaries are

- private and public institutions which provide vocational training and knowledge transfer.
- the Ministry of Agriculture and its in-house bodies.

The target group is young farmers pursuant to Regulation 1305/2013.

8.2.1.3.3.5. Eligible costs

a) cost for preparation and implementation of vocational training courses, seminars and workshops (salaries of employees, costs and travel costs and per diem cost for trainers), costs for the preparation and
production of training materials (teaching materials and equipment), course evaluation costs,
b) the costs of premises where the vocational training is held and refreshments as applicable,
c) costs of participants (travel, accommodation, per diem expenses) paid to the providers of the service.

Participants' expenses are only eligible on completion of the vocational training. Eligible costs actually incurred will be reimbursed on the presentation of invoices according to the limits established.

8.2.1.3.3.6. Eligibility conditions

Potential beneficiaries must:

- Have the appropriate capacities in the form of staff qualifications and regular training to carry out this task.

- be registered for the provision of vocational training or be recognised as vocational training providers for the purposes of the tender subject to meeting all the required selection conditions;

- have evidence of adequate location and facilities for the training to be carried out.

Courses included in formal regular educational vocational programmes or which are part of recognised secondary or tertiary education programmes will not be eligible.

8.2.1.3.3.7. Principles with regards to the setting of selection criteria

The selection criteria for the eligible projects will be laid down in the Ordinance according to the Most Economically Advantageous Tender principle and shall be based on the following principles:

- the evaluation of the programme (quality and content of the programme);

- contractor references (qualifications and experience in training on the specific field);

- geographical distribution of training

Service providers shall be selected through a public tender in accordance with national public procurement procedures or in accordance with ECJ case-law for in-house providing.

8.2.1.3.3.8. (Applicable) amounts and support rates

Intensity of the support amounts to 100% of eligible costs.
8.2.1.3.9. Verifiability and controllability of the measures and/or types of operations

8.2.1.3.9.1. Risk(s) in the implementation of the measures

The risks are identified on measure level.

8.2.1.3.9.2. Mitigating actions

The mitigating actions are identified on measure level.

8.2.1.3.9.3. Overall assessment of the measure

This type of operation is controllable and verifiable.

8.2.1.3.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.1.3.11. Information specific to the operation

Definition of appropriate capacities of bodies providing knowledge transfer services to carry out their tasks in the form of staff qualifications and regular training

In terms of staff qualifications, bodies providing knowledge transfer services will have to demonstrate as part of the application:

- A sufficient number of staff with a relevant university or post-graduate qualification and 3 years experience or with 15 years professional experience in the field of the knowledge transfer action

- The establishment and operation of a training and professional development programme for staff before the submission of the application

For knowledge transfer actions carried out by the in-house services, arrangements shall be put in place to ensure that their capacity meets the above minimum requirements and that staff carrying out the service are appropriately experienced and qualified in accordance with the qualifications above. This shall include a suitable programme of training and continuous professional development.

Definition of the duration and content of farm and forest exchange schemes and visits as referred to in Article 3 of [DA RD – C(2014)1460]

Not applicable.
8.2.1.3.4. **O_04: Workshops for supply chain organisation and producers’ groups**

Sub-measure:

- 1.1 - support for vocational training and skills acquisition actions

8.2.1.3.4.1. **Description of the type of operation**

The workshops planned under this operation will provide knowledge and technical support for fostering short supply chain organisation and the setting up of producers' groups.

- Workshops of 6-12 hours.

8.2.1.3.4.2. **Type of support**

Support shall be awarded to selected knowledge transfer providers upon executed training according to an established reporting schedule.

8.2.1.3.4.3. **Links to other legislation**

Public Procurement Act.

8.2.1.3.4.4. **Beneficiaries**

The eligible beneficiaries are

- private and public institutions which provide vocational training and knowledge transfer.

The target groups are farmers, producers groups and SMEs. Priority will be given to those in the process of setting up a producer group and eligible members of producer groups that are beneficiaries of Measure 9 and Measure 16.4

8.2.1.3.4.5. **Eligible costs**

a) cost for preparation and implementation of vocational training courses, seminars and workshops (salaries of employees, costs and travel costs and per diem cost for trainers), costs for the preparation and production of training materials (teaching materials and equipment), course evaluation costs,

b) the costs of premises where the vocational training is held and refreshments as applicable,

c) costs of participants (travel, accommodation, per diem expenses) paid to the providers of the service.
Participants' expenses are only eligible on completion of the vocational training. Eligible costs actually incurred will be reimbursed on the presentation of invoices according to the limits established.

8.2.1.3.4.6. Eligibility conditions

Potential beneficiaries must:

- Have the appropriate capacities in the form of staff qualifications and regular training to carry out this task.

- be registered for the provision of vocational training or be recognised as vocational training providers for the purposes of the tender subject to meeting all the required conditions (except in the case of demonstration activities);

- have evidence of adequate location and facilities for the training to be carried out.

8.2.1.3.4.7. Principles with regards to the setting of selection criteria

The selection criteria for the eligible projects will be laid down in the Ordinance according to the Most Economically Advantageous Tender principle and shall be based on the following principles:

- the evaluation of the programme (quality and content of the programme);

- contractor references (qualifications and experience in training on the specific field);

Service providers shall be selected through a public tender in accordance with national public procurement procedures.

8.2.1.3.4.8. (Applicable) amounts and support rates

Intensity of the support amounts to 100% of eligible costs.

8.2.1.3.4.9. Verifiability and controllability of the measures and/or types of operations

8.2.1.3.4.9.1. Risk(s) in the implementation of the measures

The risks are identified on measure level.
### 8.2.1.3.4.9.2. Mitigating actions

The mitigating actions are identified on measure level.

### 8.2.1.3.4.9.3. Overall assessment of the measure

This type of operation is controllable and verifiable.

### 8.2.1.3.4.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

### 8.2.1.3.4.11. Information specific to the operation

**Definition of appropriate capacities of bodies providing knowledge transfer services to carry out their tasks in the form of staff qualifications and regular training**

In terms of staff qualifications, bodies providing knowledge transfer services will have to demonstrate as part of the application:

- A sufficient number of staff with a relevant university or post-graduate qualification and 3 years experience or with 15 years professional experience in the field of the knowledge transfer action

- The establishment and operation of a training and professional development programme for staff before the submission of the application.

**Definition of the duration and content of farm and forest exchange schemes and visits as referred to in Article 3 of [DA RD – C(2014)1460]**

Not applicable.
8.2.1.3.5. O_05: Demonstration activities

Sub-measure:

- 1.2 - support for demonstration activities and information actions

8.2.1.3.5.1. Description of the type of operation

- Demonstration activities on specific aspects linked to the agriculture, environment and climate measures, forestry and organic farming. They are designed to complement the training courses with practical demonstrations such as a practice to preserve biodiversity or specific technique.

- Demonstration activities on the dissemination of innovative technologies or techniques and sustainable working practices. These practical demonstration sessions could illustrate, as examples, new technology advances, the use of new machinery, or a specific technique. They may also supplement the knowledge exchange of the EIP operational groups with practical demonstration activities.

8.2.1.3.5.2. Type of support

Support shall be awarded to selected knowledge transfer providers upon executed training according to an established reporting schedule.

8.2.1.3.5.3. Links to other legislation

Public Procurement Act

8.2.1.3.5.4. Beneficiaries

The eligible beneficiaries are public and private institutions.

The target groups are persons engaged in the agricultural, food and forestry sectors.

8.2.1.3.5.5. Eligible costs

a) cost for preparation and implementation of demonstration activities (salaries of employees, costs and travel costs and per diem cost for trainers),

b) the costs linked to the premises where the demonstration activity is held and refreshments as applicable,

c) costs of participants (travel, accommodation, per diem expenses) paid to the providers of the service.
Eligible costs actually incurred will be reimbursed on the presentation of invoices according to the limits established.

8.2.1.3.5.6. Eligibility conditions

Potential beneficiaries must:
- have the appropriate capacities in the form of staff to carry out the demonstration activity.
- have evidence of adequate location and the facilities for the demonstration activity to be carried out.

8.2.1.3.5.7. Principles with regards to the setting of selection criteria

Service providers shall be selected through a public tender in accordance with public procurement.

The selection criteria for the eligible projects will be laid down in the Ordinance according to the Most Economically Advantageous Tender principle and shall be based on the following principles:
- relevance of the demonstration activity (quality and content related to RDP priorities);
- contractor references (qualifications and experience in training on the specific field);
- innovation (such as participation in EIP Operational Groups).

8.2.1.3.5.8. (Applicable) amounts and support rates

Intensity of the support amounts to 100% of eligible costs.

8.2.1.3.5.9. Verifiability and controllability of the measures and/or types of operations

8.2.1.3.5.9.1. Risk(s) in the implementation of the measures

The risks are identified on measure level.

8.2.1.3.5.9.2. Mitigating actions

The mitigating actions are identified on measure level.
8.2.1.3.5.9.3. Overall assessment of the measure

This type of operation is controllable and verifiable.

8.2.1.3.5.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.1.3.5.11. Information specific to the operation

Definition of appropriate capacities of bodies providing knowledge transfer services to carry out their tasks in the form of staff qualifications and regular training

Concerning the staff qualifications, in the case of demonstration actions the following shall apply:

- Expert staff with a relevant degree or post graduate qualification and at least 3 years experience in the field of the demonstration action
- Qualified technical staff for the operation of the demonstration action

The application shall provide information on the applicable training programme and its operation during application.

Definition of the duration and content of farm and forest exchange schemes and visits as referred to in Article 3 of [DA RD – C(2014)1460]

Not applicable.

8.2.1.4. Verifiability and controllability of the measures and/or types of operations

8.2.1.4.1. Risk(s) in the implementation of the measures

1. Non-completion of the training course by participants or under-attendance.
2. Error rates and high administrative burden in controlling incurred costs by participants.

8.2.1.4.2. Mitigating actions

1. The identification and cross-checks of participants will limit the risks concerning participation. Inspections will be carried out on sample basis of the initiatives funded under this measure and additional random checks as necessary, including the inspection of beneficiary records (e.g. attendance records) as well as on-the-ground checks and direct observations of the projects
themselves.

The use of simplified financial costs in the case of in-house providing will be used for staff costs in accordance with the provisions of Article 68 (2) of Regulation 1303/2013 to reduce the error rate and administrative burden. Financial support will be provided for eligible costs and will only be paid on the presentation of sufficient evidence that costs have been incurred in accordance with public procurement procedures. This will involve the electronic submission of receipted invoices on approved costs which will be cross checked as required against bank statements showing corresponding entries.

8.2.1.4.3. Overall assessment of the measure

The measure is verifiable and controllable.

8.2.1.5. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.1.6. Information specific to the measure

Definition of the duration and content of farm and forest exchange schemes and visits as referred to in Article 3 of [DA RD – C(2014)1460]

Not applicable.

Definition of appropriate capacities of bodies providing knowledge transfer services to carry out their tasks in the form of staff qualifications and regular training

This information has been detailed in each type of operation.

8.2.1.7. Other important remarks relevant to understand and implement the measure

The measure shall be adjusted during implementation. An assessment of the knowledge needs of the Croatian target groups shall be carried out as part of the Evaluation Plan and revisions may be made during programme implementation in order to target the courses and update the training offer.
8.2.2. M02 - Advisory services, farm management and farm relief services (art 15)

8.2.2.1. Legal basis


8.2.2.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

In conditions of increasing specialization in agriculture, food production and food processing industry and forestry, it is important that those involved in these sectors have the assistance of qualified advisors to improve the sustainable management of natural resources and the economic and environmental performance of farms and forest holdings, tailored advice on the use of new technologies, as well as approaches and techniques for mitigation and adaptation to climate change.

Besides that, new requirements have been set also before farmers and forest owners in Croatia: the reduction of the use of pesticides in accordance with the National Action Plan, cross-compliance (protection of soil and water, animal health and welfare), the implementation of agri-environmental measures, reducing air pollution, management of Natura 2000 areas, etc., as well as challenges such as the need to increase productivity and efficiency through new techniques and technologies, and mitigation and adaptation to climate change.

Moreover, to sustainably manage the forests and maintain them as guardians of biodiversity, forest owners, as well as micro, small and medium-sized entrepreneurs in the forestry sector must be informed and assisted in the professional and safe operation of the effective application of the 5E principles (energy, environmental, economic, ergonomic and aesthetically effective performance of forestry operations).

Advisory services, which can provide tailored and punctual advice on specific issues following ad hoc requests, are a key element in providing knowledge transfer and innovation in agriculture, food production and food processing industry and forestry.

The implementation of this Measure will foster the take-up of appropriate innovation as well as assist farmers to meet agri-environmental commitments and their practical obligations under cross compliance.

A good quality and well-organised advisory system must therefore be made widely available in order to
address directly Needs 1 and 2.

Advisory services shall be included as an option within the obligatory package of knowledge transfer and information provided for beneficiaries of AEC measures, also considering the specific needs for Croatian beneficiaries.

Contribution to focus areas and cross-cutting objectives

This is a horizontal measure that has an impact on all Rural Development priorities. It is designed to be complementary to Measure 1 and synergy is envisaged through the combined use of Measure 1 and 2. Above all, the measure contributes to priority 1 "Fostering knowledge transfer and innovation in agriculture, forestry and rural areas", specifically to focus areas 1A "fostering innovation, cooperation, and the development of the knowledge base in rural areas".

The 4 types of operations envisaged under sub-measure 2.1 shall be programmed under the following Focus Areas contributing to the achievement of their respective objectives:

1. Advice on cross-compliance and agri-environmental-climate and organic farming measures: FA 4a, FA 4b, FA 4c
2. Advice on the forestry holdings: FA 4a, FA 5c, FA 5e
3. Advice on modernizing and increasing the competitiveness of the agricultural holdings: FA 2a
4. Advice to young farmers: FA 2b

Contribution to cross-cutting objectives

This measure contributes to the realisation of all three cross-cutting objectives namely climate change mitigation and adaption, the environment and innovation:

Climate change mitigation and adaption - The access to advisory services will enable the quicker adaptation to and mitigation of climate change at the level of the individual holdings, agricultural producers and forest owners.

Environmental protection - One of the most important areas for the intervention of the advisory service will be related to environmental protection. Advisory services are envisaged as part of the package of knowledge transfer for the AECM and for farmers converting to organic agricultural production, as well as providing tailored, technical advice on the use of environmentally friendly techniques and technologies in agriculture and forestry.

Innovation - Access to good quality and specialised advisory services will enable a fast and targeted flow of up-to-date tailor-made advice on innovation in order to foster its take-up.

8.2.2.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regards to the setting of selection criteria

8.2.2.3.1. Advice on cross-compliance and and agri-environmental-climate and organic farming measures
Sub-measure:

• 2.1 - support to help benefiting from the use of advisory services

8.2.2.3.1.1. Description of the type of operation

The overall objective of this operation is: providing tailored advice to farmers and young about cross-compliance, agricultural practices related to climate and the environment, the adoption of practical measures to increase resistance of agricultural systems from erosion, floods and droughts, the maintenance of agricultural land in order to preserve it in good condition and the reduction of the negative impact of agriculture on the environment and climate.

The provision of advice under this operation is directed at individual farmers and young farmers. The provision of advisory services under this type of operation will be prioritised for farmers with specific greening obligations and young farmers.

Certificates shall be issued to those receiving the advice. In the case of beneficiaries receiving support from AECM, the advice received shall form part of their obligatory commitment requirements.

8.2.2.3.1.2. Type of support

Support shall be awarded to the providers of advisory services based on the reimbursement of the eligible expenditure incurred, up to a maximum 1,500 euros per advice supplied.

8.2.2.3.1.3. Links to other legislation

Advice provided under this measure shall be consistent and coherent with the relevant EU legislation related to the subject of the advice.

National Legislation:

Personal Data Protection Act

Public Procurement Act.

8.2.2.3.1.4. Beneficiaries

The eligible beneficiaries are:

- private and public institutions which provide advisory and consulting services
- the Ministry of Agriculture and its in-house bodies
The target groups are farmers and young farmers.

8.2.2.3.1.5. Eligible costs

The eligible costs within the framework of this operation are the costs incurred for the provision of advisory services up to a maximum of 1,500 euros per advice supplied.

The eligible costs are:

- labour costs: salaries, travel and accommodation costs for advisers
- materials: preparation and production of materials
- location costs: directly related to the place where the advice is delivered.

8.2.2.3.1.6. Eligibility conditions

Depending on the specific advisory services, they may be provided by an in-house service. Otherwise, specific calls for tenders in accordance with public procurement law shall establish the precise qualifications and advisory experience and reliability required for beneficiaries for each type of advisory service to be tendered, the exclusion criteria and evaluation procedure.

The procedure shall exclude candidates with conflicts of interest.

These eligibility criteria shall include:

- the appropriate qualifications/references of all the staff providing advisory services
- a minimum number of staff who have undergone education and training for the provision of advisory services and have proven knowledge of the Croatian agriculture system and support programmes.

8.2.2.3.1.7. Principles with regards to the setting of selection criteria

The selection criteria for the eligible projects will be laid down in the Ordinance according to the Most Economically Advantageous Tender principle and shall be based on the following principles:

- evaluation of the project (content and quality with respect to the objectives of the Focus Area and the terms of reference),
- references (qualifications and experience in providing advice on the specific field),
- innovation experience (cooperation with scientific and research institutions, membership in the Network EIP etc.),
- geographical scope of provision of advisory services.

Service providers shall be selected through a public tender in accordance with national public
procurement procedures or in accordance with ECJ case-law for in-house providing.

8.2.2.3.1.8. (Applicable) amounts and support rates

The intensity of the support is 100% of total eligible level of support, up to a maximum of EUR 1,500.00 per advice.

8.2.2.3.1.9. Verifiability and controllability of the measures and/or types of operations

8.2.2.3.1.9.1. Risk(s) in the implementation of the measures

The risks are identified on measure level.

8.2.2.3.1.9.2. Mitigating actions

The mitigating actions are identified on measure level.

8.2.2.3.1.9.3. Overall assessment of the measure

This type of operation is controllable and verifiable.

8.2.2.3.1.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.2.3.1.11. Information specific to the operation

General principles to ensure appropriate resources in the form of regularly trained and qualified staff and advisory experience and reliability with respect to the field of advice. Identification of the elements that the advice will cover

In terms of staff qualifications, advisory experience and reliability, the following general principles are established:

- A sufficient number of staff with a relevant university or post-graduate qualification and 3 years experience in providing advice or consultancy services on the specific field or 15 years professional experience in providing advice or consultancy services on the specific field

- The establishment and operation of a training and professional development programme for staff
before the submission of the application.

For advisory services provided by in-house bodies, arrangements shall be put in place to ensure that their capacities meets the above minimum requirements and that staff carrying out the service are appropriately experienced and qualified. This shall include a suitable programme of training and continuous professional development.

The advice shall be related to at least one EU rural development priority and must include at least one of the following elements:

(a) obligations at farm level deriving from the statutory management requirements and/or standards for good agricultural and environmental conditions provided for in Chapter I of Title VI of Regulation (EU) No 1306/2013;

(b) the agricultural practices beneficial for the climate and the environment as laid down in Chapter 3 of Title III of Regulation (EU) No 1307/2013 and the maintenance of the agricultural area as referred to in point (c) of Article 4(1) of Regulation (EU) No 1307/2013;

(c) requirements as defined by Croatia for implementing Article 11(3) of the Water Framework Directive;

(d) requirements as defined by Croatia, for implementing Article 55 of Regulation (EC) No 1107/2009, in particular compliance with the general principles of integrated pest management as referred to in Article 14 of Directive 2009/128/EC;

(e) agri-environmental-climate measures;

(f) Natura 2000 areas and areas of high natural value;

(g) organic farming;

(h) renewable sources of energy;

(i) reducing green house gas etc.;

(j) adaptation to climate changes and their mitigation, biodiversity and water protection pursuant to Annex I of Regulation (EU) No 1306/2013.
8.2.2.3.2. Advice on modernizing and increasing the competitiveness of the agricultural holdings

Sub-measure:

- 2.1 - support to help benefiting from the use of advisory services

8.2.2.3.2.1. Description of the type of operation

Lack of economic and financial knowledge by producers, weak technical and technological equipment capacities as well as lack of association cause low productivity and market competitiveness of agricultural holdings.

The overall objective of this operation is to provide tailor-made advice on improving economic efficiency and resilience of agricultural holdings using new techniques and technologies, on innovative technologies that will also enable a more rational use of natural resources, better sectoral integration, development of a business plan, production techniques, agricultural and non-agricultural diversification which will enable the revitalization of rural areas, etc.

Advisory services shall be provided for individual farmers.

8.2.2.3.2.2. Type of support

Support shall be awarded to the providers of advisory services based on the reimbursement of the eligible expenditure incurred, up to a maximum 1,500 euros per advice supplied.

8.2.2.3.2.3. Links to other legislation

Advice provided under this measure shall be consistent and coherent with the relevant EU legislation related to the subject of the advice.

National Legislation:

Personal Data Protection Act

Public Procurement Act.

8.2.2.3.2.4. Beneficiaries

The eligible beneficiaries are:

- private and public institutions which provide advisory and consulting services;

- the Ministry of Agriculture and its in-house bodies.
8.2.2.3.2.5. Eligible costs

The eligible costs within the framework of this operation are the costs incurred for the provision of advisory services up to a maximum of 1,500 euros per advice supplied.

The eligible costs are:

- labour costs: salaries, travel and accommodation costs for advisers;
- materials: preparation and production of materials;
- location costs: directly related to the place where the advice is delivered.

8.2.2.3.2.6. Eligibility conditions

Depending on the specific advisory services, they may be provided by an in-house service.

Otherwise, specific calls for tenders in accordance with public procurement law shall establish the precise qualifications and advisory experience and reliability required for beneficiaries for each type of advisory service to be tendered, the exclusion criteria and evaluation procedure.

The procedure shall exclude candidates with conflicts of interest.

These eligibility criteria shall include:

- the appropriate qualifications/references of all the staff providing advisory services;
- a minimum number of staff who have undergone education and training for the provision of advisory services and have proven knowledge of the Croatian agriculture system and support programmes.

8.2.2.3.2.7. Principles with regards to the setting of selection criteria

The selection criteria for the eligible projects will be laid down in the Ordinance according to the Most Economically Advantageous Tender principle and shall be based on the following principles:

- evaluation of the project (content and quality with respect to the objectives of the Focus Area and the terms of reference),
- references (qualifications and experience in providing advice on the specific field),
- innovation experience (cooperation with scientific and research institutions, membership in the Network EIP etc.),
- geographical scope of provision of advisory services.

Service providers shall be selected through a public tender in accordance with national public
procurement procedures or in accordance with ECJ case-law for in-house providing.

8.2.2.3.2.8. (Applicable) amounts and support rates

The intensity of the support is 100% of total eligible level of support, up to a maximum of EUR 1,500.00 per advice.

8.2.2.3.2.9. Verifiability and controllability of the measures and/or types of operations

8.2.2.3.2.9.1. Risk(s) in the implementation of the measures

The risks are identified on measure level.

8.2.2.3.2.9.2. Mitigating actions

The risks are identified on measure level.

8.2.2.3.2.9.3. Overall assessment of the measure

This type of operation is controllable and verifiable.

8.2.2.3.2.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.2.3.2.11. Information specific to the operation

General principles to ensure appropriate resources in the form of regularly trained and qualified staff and advisory experience and reliability with respect to the field of advice. Identification of the elements that the advice will cover

In terms of staff qualifications, advisory experience and reliability, the following general principles are established:

- A sufficient number of staff with a relevant university or post-graduate qualification and 3 years experience in providing advice or consultancy services on the specific field or 15 years professional experience in providing advice or consultancy services on the specific field;
- The establishment and operation of a training and professional development programme for staff
before the submission of the application.

For advisory services provided by in-house bodies, arrangements shall be put in place to ensure that their capacities meet the above minimum requirements and that staff carrying out the service are appropriately experienced and qualified. This shall include a suitable programme of training and continuous professional development.

The advice shall be related to at least one EU rural development priority and must include at least one of the following elements:

- measures at farm level aiming at farm modernisation, competitiveness building, sectoral integration, innovation and market orientation, as well as the promotion of entrepreneurship;

- occupational safety standards or safety standards linked to the farm;

- development of business plan;

- economic profitability;

- production techniques;

- diversification etc.
8.2.2.3.3. Advice on the forestry holdings

Sub-measure:

- 2.1 - support to help benefiting from the use of advisory services

8.2.2.3.3.1. Description of the type of operation

The overall objective of this type of operation is to provide tailored advice to private forest holders.

8.2.2.3.3.2. Type of support

Support shall be awarded to the providers of advisory services based on the reimbursement of the eligible expenditure incurred, up to a maximum 1,500 euros per advice supplied.

8.2.2.3.3.3. Links to other legislation

Advice provided under this measure shall be consistent and coherent with the relevant EU legislation related to the subject of the advice.

National Legislation:

Personal Data Protection Act
Public Procurement Act.

8.2.2.3.3.4. Beneficiaries

The eligible beneficiaries are:

- private and public institutions which provide advisory and consulting services;
- the Ministry of Agriculture and its in-house bodies.

8.2.2.3.3.5. Eligible costs

The eligible costs within the framework of this operation are the costs incurred for the provision of advisory services up to a maximum of 1,500 euros per advice supplied.

The eligible costs are:
• labour costs: salaries, travel and accommodation costs for advisers;
• materials: preparation and production of materials;
• location costs: directly related to the place where the advice is delivered.

8.2.2.3.3.6. Eligibility conditions

Depending on the specific advisory services, they may be provided by an in-house service. Otherwise, specific calls for tenders in accordance with public procurement law shall establish the precise qualifications and advisory experience and reliability required for beneficiaries for each type of advisory service to be tendered, the exclusion criteria and evaluation procedure.

The procedure shall exclude candidates with conflicts of interest.

These eligibility criteria shall include:

• the appropriate qualifications/references of all the staff providing advisory services;
• a minimum number of staff who have undergone education and training for the provision of advisory services and have proven knowledge of the Croatian agriculture system and support programmes.

8.2.2.3.3.7. Principles with regards to the setting of selection criteria

The selection criteria for the eligible projects will be laid down in the Ordinance according to the Most Economically Advantageous Tender principle and shall be based on the following principles:

• evaluation of the project (content and quality with respect to the objectives of the Focus Area and the terms of reference),
• references (qualifications and experience in providing advice on the specific field),
• innovation experience (cooperation with scientific and research institutions, membership in the Network EIP etc.),
• geographical scope of provision of advisory services.

Service providers shall be selected through a public tender in accordance with national public procurement procedures or in accordance with ECJ case-law for in-house providing.

8.2.2.3.3.8. (Applicable) amounts and support rates

The intensity of the support is 100% of total eligible level of support, up to a maximum of EUR 1,500.00 per advice.
8.2.2.3.9. Verifiability and controllability of the measures and/or types of operations

8.2.2.3.9.1. Risk(s) in the implementation of the measures

The risks are identified on measure level.

8.2.2.3.9.2. Mitigating actions

The mitigating actions are identified on measure level.

8.2.2.3.9.3. Overall assessment of the measure

This type of operation is controllable and verifiable.

8.2.2.3.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.2.3.11. Information specific to the operation

General principles to ensure appropriate resources in the form of regularly trained and qualified staff and advisory experience and reliability with respect to the field of advice. Identification of the elements that the advice will cover

In terms of staff qualifications, advisory experience and reliability, the following general principles are established:

- A sufficient number of staff with a relevant university or post-graduate qualification and 3 years experience in providing advice or consultancy services on the specific field or 15 years professional experience in providing advice or consultancy services on the specific field;

- The establishment and operation of a training and professional development programme for staff before the submission of the application.

For advisory services provided by in-house bodies, arrangements shall be put in place to ensure that their capacities meets the above minimum requirements and that staff carrying out the service are appropriately experienced and qualified. This shall include a suitable programme of training and continuous professional development.

The advice shall be related to at least one EU rural development priority and must include at least one of the following elements:

- sustainable management of forest ecosystems including advice on Natura 2000 and all the
relevant obligations in Directives 92/43/EEC and 2009/147/EC and Water Framework Directive;
• mitigation and adaptation to climate change;
• advising on new processes, techniques and technologies to raise productivity and efficiency of the forestry sector;
• the management of common types of risks that forest owners holders meet (adverse climatic events, plant diseases that threaten the forest ecosystem, pest infestation, and environmental incidents).
8.2.2.3.4. Advice to young farmers

Sub-measure:

• 2.1 - support to help benefiting from the use of advisory services

8.2.2.3.4.1. Description of the type of operation

The overall objective of this type of operation is the provision of tailor-made advice to young farmers as new entrants to the agricultural sector on their specific needs during the setting-up and running of new farms.

Advisory services shall be provided for young farmers.

8.2.2.3.4.2. Type of support

Support shall be awarded to the providers of advisory services based on the reimbursement of the eligible expenditure incurred, up to a maximum 1,500 euros per advice supplied.

8.2.2.3.4.3. Links to other legislation

Advice provided under this measure shall be consistent and coherent with the relevant EU legislation related to the subject of the advice.

National Legislation:

Personal Data Protection Act

Public Procurement Act.

8.2.2.3.4.4. Beneficiaries

The eligible beneficiaries are:

- private and public institutions which provide advisory and consulting services;

- the Ministry of Agriculture and its in-house bodies.

8.2.2.3.4.5. Eligible costs

The eligible costs within the framework of this operation are the costs incurred for the provision of
advisory services up to a maximum of 1,500 euros per advice supplied.

The eligible costs are:

- labour costs: salaries, travel and accommodation costs for advisers;
- materials: preparation and production of materials;
- location costs: directly related to the place where the advice is delivered.

8.2.2.3.4.6. Eligibility conditions

Depending on the specific advisory services, they may be provided by an in-house service.

Otherwise, specific calls for tenders in accordance with public procurement law shall establish the precise qualifications and advisory experience and reliability required for beneficiaries for each type of advisory service to be tendered, the exclusion criteria and evaluation procedure.

The procedure shall exclude candidates with conflicts of interest.

These eligibility criteria shall include:

- the appropriate qualifications/references of all the staff providing advisory services;
- a minimum number of staff who have undergone education and training for the provision of advisory services and have proven knowledge of the Croatian agriculture system and support programmes.

8.2.2.3.4.7. Principles with regards to the setting of selection criteria

The selection criteria for the eligible operations will be laid down in the Ordinance according to the Most Economically Advantageous Tender principle and shall be based on the following principles:

- evaluation of the operation (content and quality with respect to the objectives of the Focus Area and the terms of reference),
- references (qualifications and experience in providing advice on the specific field),
- innovation experience (cooperation with scientific and research institutions, membership in the Network EIP etc.),
- geographical scope of provision of advisory services.

Service providers shall be selected through a public tender in accordance with national public procurement procedures or in accordance with ECJ case-law for in-house providing.
### 8.2.2.3.4.8. (Applicable) amounts and support rates

The intensity of the support is 100% of total eligible level of support, up to a maximum of EUR 1,500.00 per advice.

### 8.2.2.3.4.9. Verifiability and controllability of the measures and/or types of operations

#### 8.2.2.3.4.9.1. Risk(s) in the implementation of the measures

The risks are identified on measure level.

#### 8.2.2.3.4.9.2. Mitigating actions

The mitigating actions are defined at measure level.

#### 8.2.2.3.4.9.3. Overall assessment of the measure

This type of operation is controllable and verifiable.

### 8.2.2.3.4.10. Methodology for calculation of the amount or support rate, where relevant

Not relevant

### 8.2.2.3.4.11. Information specific to the operation

General principles to ensure appropriate resources in the form of regularly trained and qualified staff and advisory experience and reliability with respect to the field of advice. Identification of the elements that the advice will cover

In terms of staff qualifications, advisory experience and reliability, the following general principles are established:

- A sufficient number of staff with a relevant university or post-graduate qualification and 3 years experience in providing advice or consultancy services on the specific field or 15 years professional experience in providing advice or consultancy services on the specific field;

- The establishment and operation of a training and professional development programme for staff before the submission of the application.

For advisory services provided by in-house bodies, arrangements shall be put in place to ensure that their capacities meet the above minimum requirements and that staff carrying out the service are appropriately experienced and qualified. This shall include a suitable programme of training and continuous
professional development.

The advice shall be related to at least one EU rural development priority and must include at least one of the following elements:

- measures at farm level aiming at farm modernisation, competitiveness building, sectoral integration, innovation and market orientation, as well as the promotion of entrepreneurship;

- occupational safety standards or safety standards linked to the farm;

- specific advice for young farmers;

- development of business plan;

- economic profitability;

- production techniques;

- diversification etc.

8.2.2.4. Verifiability and controllability of the measures and/or types of operations

8.2.2.4.1. Risk(s) in the implementation of the measures

1. Error rates and high administrative burden in controlling real costs of the advice.

8.2.2.4.2. Mitigating actions

1. The use of simplified financial costs in the case of in-house providing will be used for staff costs in accordance with the provisions of Article 68 (2) of Regulation 1303/2013 to reduce the error rate and administrative burden.

8.2.2.4.3. Overall assessment of the measure

Based on the mitigating action, this measure is verifiable and controllable.

8.2.2.5. Methodology for calculation of the amount or support rate, where relevant

Not applicable to this measure.
8.2.2.6. Information specific to the measure

General principles to ensure appropriate resources in the form of regularly trained and qualified staff and advisory experience and reliability with respect to the field of advice. Identification of the elements that the advice will cover

This has been detailed at the level of type of operation.

8.2.2.7. Other important remarks relevant to understand and implement the measure

The access to advisory services by individual farmers, agricultural holders and young farmers is limited to twice in three years.
8.2.3. M03 - Quality schemes for agricultural products and foodstuffs (art 16)

8.2.3.1. Legal basis


8.2.3.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

The recent growing interest of producers in quality schemes in Croatia has been identified in the SWOT analysis.

The objective of the measure is to stimulate agricultural producers to participate in quality schemes, which contributes to the increase of added value, as well as protect products with quality designations from misuse and imitation.

The effectiveness of reaching this objective entails the recognition of the product and the readiness of consumers to pay higher prices for products with quality designations. The recognisability level of products included in quality schemes is low in Croatia, which deprives producers of the ability to generate higher revenues from the sale of products with quality designations.

Better information and marketing and increased involvement of agricultural producers in quality schemes will enable the better recognisability of products with quality designations, which also influences the readiness of consumers to pay higher prices for such special products.

The measure directly addresses need 13.

**Contribution to focus areas**

In particular, both types of operations in this measure contribute to:

Priority 3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture, with emphasis on the following areas:

Focus area 3A: Improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets
and short supply circuits, producer groups and organisations, and inter-branch organisations.

**Contribution to cross-cutting objectives**

This measure contributes to the realisation of cross-cutting objectives related to climate changes, environmental protection and innovations.

Climate changes - the activities within the framework of this measure contribute to the mitigation of climate changes through the adoption of established standards.

Environmental protection - establishing a quality scheme and standards superior to those prescribed also includes environmental care, especially in organic agricultural production.

Innovation - research and innovation have an important role in ensuring production continuity and quality.

8.2.3.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regards to the setting of selection criteria

8.2.3.3.1. O_01: Support for the participation of farmers in quality schemes for agricultural products and foodstuffs

Sub-measure:

- 3.1 - support for new participation in quality schemes

8.2.3.3.1.1. Description of the type of operation

Support shall be awarded for the participation of producers in one of the following schemes:

- quality schemes in accordance with EU legislation;
- quality schemes in accordance with national legislation.

8.2.3.3.1.2. Type of support

Support shall be awarded as annual payments concerning costs for entry and participation in quality schemes in accordance with EU legislation, a quality scheme in accordance with national legislation, an organic production scheme in accordance with EU and national legislation.

8.2.3.3.1.3. Links to other legislation

2012 on quality schemes for agricultural products and foodstuffs;
• Agriculture Act;
• Act on Protected Designations of Origin, Protected Geographical Indications and Agricultural Products and Foodstuffs as Guaranteed Traditional Specialities;
• Ordinance on integrated farming.

8.2.3.3.1.4. Beneficiaries

Eligible beneficiaries for this measure are agricultural holdings registered in accordance with the Agriculture Act, for involvement in:

• an EU or national quality scheme in accordance with the above legislation;
• associations of organic agricultural producers whose members participate in an organic production scheme.

8.2.3.3.1.5. Eligible costs

The eligible costs are:

• costs of entry into the quality scheme;
• annual contribution for participating in a supported quality scheme;
• expenditure on checks required to verify compliance with the specifications of the relevant scheme.

8.2.3.3.1.6. Eligibility conditions

Eligible beneficiaries must be registered in the Register of Agricultural Holdings The beneficiary must have a certificate or a certificate of product compliance with specifications of the implemented control, which will be proof of their inclusion in the quality scheme.

Every agricultural product or foodstuff from a quality scheme which is being sold on the market must be identified by:

• an EU quality scheme trademark;
• a national quality scheme trademark.
8.2.3.3.1.7. Principles with regards to the setting of selection criteria

Selection criteria will be laid down in the Ordinance and will be based indicatively on the following principles:

- age of beneficiaries;
- the location of the operation according to the Regional Development Index.

8.2.3.3.1.8. (Applicable) amounts and support rates

The intensity of the support amounts to 100% of defined fixed costs within a maximum amount of public support not exceeding EUR 3,000/year per agricultural holding.

Support is granted as a non-refundable annual subsidy, determined in accordance with the level of fixed costs actually incurred for a maximum duration of five years.

8.2.3.3.1.9. Verifiability and controllability of the measures and/or types of operations

8.2.3.3.1.9.1. Risk(s) in the implementation of the measures

The main risks are related to:

- the validity and conformity of the quality scheme and the producers’ group;
- the risk of double financing (producers receiving support for participation in the quality scheme from other sources);
- the presentation of ineligible invoices as a basis for the level of fixed costs to determine the annual subsidy;
- the eligibility of beneficiaries;
- the eligibility conditions and
- the selection of operations to be financed.

8.2.3.3.1.9.2. Mitigating actions

The mitigating actions are:

- The verification of the quality scheme and the registration of the producers in the schemes shall be carried out through the verification of the Registers;
- Checks will be made by the Paying Agency to exclude double funding. Beneficiaries who have obtained support for the same purpose within the framework of other measures can be identified
by Client register set up in Paying Agency;

- All invoices presented shall be checked for coherence with the declared fixed costs and controls on double funding carried out by the Paying Agency;
- Beneficiary’s compliance with definition of “active famer” will be cross-checked on Farm register;
- Beneficiary will have to prove eligibility conditions with copy of certificate. Administrative control by paying agency will include this check as regular (100% of applications);
- Beneficiaries will be selected according to selection criteria strictly applied as defined in national ordinance upon approval by monitoring Committee.

8.2.3.3.1.9.3. Overall assessment of the measure

This type of operation is controllable and verifiable.

8.2.3.3.1.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.3.3.1.11. Information specific to the operation

Indication of eligible quality schemes, including farm certification schemes, for agricultural products, cotton or foodstuffs recognized at national level and confirmation that these quality schemes are fulfilling the 4 specific criteria of Article 16(1)(b) of Regulation (EU) No 1305/2013

Ordinance on integrated farming (OG No 137/12, 59/14).

This national quality scheme fulfils the 4 specific criteria of Article 16(1)(b) of Regulation (EU) No 1305/2013.

Indication of eligible voluntary agricultural product certification schemes recognized by Member State as meeting the Union best practice guidelines

Not applicable.
8.2.3.3.2. O_02: Support for information and promotion activities

Sub-measure:

- 3.2 - Support for information and promotion activities implemented by groups of producers in the internal market

8.2.3.3.2.1. Description of the type of operation

The operation includes information and promotion activities for the EU market carried out by groups of producers for agricultural products or foodstuffs covered by quality schemes in accordance with EU legislation and organic production schemes in accordance with EU and national legislation.

The objectives are to:

- inform consumers and distributors about the agricultural products or foodstuffs covered by EU quality schemes or organic production and their specific features and characteristics;
- Inform consumers of the authenticity, high animal welfare standards or respect for the environment linked to the quality scheme concerned.

Disseminate information on nutritional and health-related aspects of the products including specific scientific and technical knowledge.

8.2.3.3.2.2. Type of support

Support shall be awarded as annual payments concerning costs for product information and promotion costs to producer groups involved in a quality scheme in accordance with EU legislation, a quality scheme in accordance with national legislation, an organic production scheme in accordance with EU and national legislation.

8.2.3.3.2.3. Links to other legislation


National Legislation:

- Agriculture Act;
- Act on Protected Designations of Origin, Protected Geographical Indications and Agricultural Products and Foodstuffs as Guaranteed Traditional Specialities;
Labelling of Organic Products;
• Ordinance on integrated farming.

8.2.3.3.2.4. Beneficiaries

• producer groups (associations) participating in Union or national quality schemes;
• associations of organic agricultural producers whose members participate in an organic production scheme.

8.2.3.3.2.5. Eligible costs

Eligible costs shall include product information and promotion activities such as:

• the organisation of, and/or participation in fairs and exhibitions;
• production of promotional materials using different media, multimedia products, website development and promotion;
• purchase of advertising space;
• promotional campaigns and the organisation of dedicated promotion events including educational tours;
• workshops and seminars;
• information and activities promotion via the different channels of communication or at the points of sale of national or EU significance or HoReCa channels;
• duly documented organisational costs for a maximum of 5% of the total eligible costs.

The Ordinance shall provide specific information on the definition of the activities and the eligible costs.

8.2.3.3.2.6. Eligibility conditions

Eligible beneficiaries must be organised and act as a group of producers (association) in accordance with the Act on Protected Designations of Origin, Protected Geographical Indications and Agricultural Products and Foodstuffs as Guaranteed Traditional Specialities, or as an association of organic agricultural producers whose members participate in an organic production scheme in accordance with the Act on the Implementation of Council Regulation (EC) No 834/2007 on Organic Production and Labelling of Organic Products, or quality schemes in accordance with national legislation.

The new participation of at least one farmer in the protected quality schemes is necessary.
8.2.3.3.7. Principles with regards to the setting of selection criteria

Operations will be selected for co-financing on the basis of a call for proposals.

The selection criteria for the eligible operations, will be laid down in the Ordinance based on the following principles:

- the number of producers involved;
- quantity of certified products;
- type of quality scheme.

Only operations reaching a minimal threshold score shall be funded.

8.2.3.3.8. (Applicable) amounts and support rates

Support for information and promotion costs related to products in quality schemes, organic production and voluntary certification schemes amounts to 70% of eligible costs, but shall not exceed EUR 30,000/year up to a maximum of EUR 100,000 during the programme period per group of producers/association.

The annual support amount will be determined on the basis of the projects’ preliminary calculations annexed to the application.

8.2.3.3.9. Verifiability and controllability of the measures and/or types of operations

8.2.3.3.9.1. Risk(s) in the implementation of the measures

The main risks are related to:

- the validity and conformity of the quality scheme and the producers’ group;
- the registration of a new farmer in the producers’ group;
- the risk that support is provided for the same activity from different sources;
- the risk of activities promoting commercial brands;
- the reasonableness of costs and
- eligibility of costs.

8.2.3.3.9.2. Mitigating actions

The mitigating actions are:

- The verification of the quality scheme and the registration of the producers in the schemes shall be
carried out through the verification of the Registers.

- Checks will be made to ensure the effective registration of a new farmer in the producer group.
- Checks will be made to ensure that there is no double funding for activities either under the horizontal promotion policy for agricultural products on the internal market or the promotion activities under national support programmes in the wine sector (Art. 45 Regulation (EU) 1308/13).
- Checks will be made on all promotional materials produced to ensure commercial brands are not promoted.
- All invoices presented shall be checked for reasonableness of costs by paying agency. Maximum parameters may be established and all potential beneficiaries duly informed.
- Only costs regarding information and promotion activities will be recognized as eligible by the Paying Agency. Invoices will be checked in relation to presented costs including reasonableness of costs.

8.2.3.3.2.9.3. Overall assessment of the measure

This type of operation is controllable and verifiable.

8.2.3.3.2.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.3.3.2.11. Information specific to the operation

Indication of eligible quality schemes, including farm certification schemes, for agricultural products, cotton or foodstuffs recognized at national level and confirmation that these quality schemes are fulfilling the 4 specific criteria of Article 16(1)(b) of Regulation (EU) No 1305/2013

Ordinance on integrated farming (OG No 137/12, 59/14);

This national quality scheme fulfils the 4 specific criteria of Article 16(1)(b) of Regulation (EU) No 1305/2013.

Indication of eligible voluntary agricultural product certification schemes recognized by Member State as meeting the Union best practice guidelines

Not applicable.
8.2.3.4. Verifiability and controllability of the measures and/or types of operations

8.2.3.4.1. Risk(s) in the implementation of the measures

The risks are defined at level of type of operation.

8.2.3.4.2. Mitigating actions

Checks will be made by the Paying Agency to exclude beneficiaries who have obtained support for the same purpose within the framework of other measures (organic production scheme).

The verification of the quality scheme and the registration of the producers in the schemes shall be carried out through the verification of the Registers.

All invoices presented shall be checked for coherence with the declared fixed costs and controls on double funding carried out by the Paying Agency.

Checks will be made for Measure 3.2 to ensure the effective registration of a new farmer in the producer group.

Checks will be made to ensure that there is no double funding for activities either under the horizontal promotion policy for agricultural products on the internal market or the promotion activities under national support programmes in the wine sector (Art. 45 Regulation (EU) 1308/13).

8.2.3.4.3. Overall assessment of the measure

Based on the appropriate mitigating actions indicated above, the measure is controllable and verifiable.

8.2.3.5. Methodology for calculation of the amount or support rate, where relevant

Not applicable to this measure.

8.2.3.6. Information specific to the measure

Indication of eligible voluntary agricultural product certification schemes recognized by Member State as meeting the Union best practice guidelines

Not applicable.
Indication of eligible quality schemes, including farm certification schemes, for agricultural products, cotton or foodstuffs recognized at national level and confirmation that these quality schemes are fulfilling the 4 specific criteria of Article 16(1)(b) of Regulation (EU) No 1305/2013

Ordinance on integrated farming (OG No 137/12, 59/14);

This national quality scheme fulfils the 4 specific criteria of Article 16(1)(b) of Regulation (EU) No 1305/2013.

8.2.3.7. Other important remarks relevant to understand and implement the measure
8.2.4. M04 - Investments in physical assets (art 17)

8.2.4.1. Legal basis


8.2.4.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

This measure has a significant weight in the framework of the Rural Development Programme. As evidenced by the SWOT analysis, it is essential to foster and consolidate the whole agricultural, food-processing and forestry system in Croatia through an adequate and consistent support for productive investment to increase the competitiveness, productivity and economic viability of farms and the long-term economic benefit and ecosystem services of forests fostering sustainable forest management and increasing the value of agricultural products in order to ensure a sustainable economic development, also respecting the inherent environmental and biodiversity values.

Support will be provided to increase the competitiveness of farms through enabling an increased production capacity, the modernization of existing farms and improve product quality by introducing new technologies and innovation and the creation of sustainable market economies, through the establishment of farms that follow advanced techniques and technologies, addressing Needs 06 and 07.

Replacing fossil fuels with renewable sources of energy for the individual needs of agricultural holdings and food processing plants will facilitate the supply and use of renewable sources of energy. Easier access to newly-constructed and better-maintained forest roads will contribute to more efficient ways of producing, supplying and mobilising wood biomass as a renewable source of energy. These actions will address needs 21 and 22.

Construction of new and reconstruction of existing forest infrastructure (forest roads, skid roads) will foster sustainable forest management and help to increase economic efficiency, reducing production costs in forest area with insufficient access, addressing Needs 08 and 09.

A better integration of primary producers into the food chain through the processing and placement of agricultural products on the market and the promotion of the local market chain and short supply circuits will address Needs 07 and 12.
The construction of manure storage facilities, the technological modernisation of barns, construction of compost, and machinery for the efficient use of nitrogen and equipment for animal secretions will reduce the emission of greenhouses gases and ammonia caused by agriculture activity, addressing Need 15.

Investments in forest infrastructure will enable protection, maintenance and improvement of forest ecosystem biodiversity and of other natural values, such as the restoration of habitats and landscapes. Non-productive investments related to environmental protection are intended to protect, maintain and restore biodiversity and other natural resources, such as the restoration of habitats and landscapes, including the construction and reconstruction of infrastructure, to enable the management of habitats associated with agriculture. These will directly address Need 16.

**Contribution to focus areas**

The Measure contributes to several EU priorities:

**Priority 2. Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forest.**

The measure contributes to Focus area 2A: Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification through the following types of operations:

Sub-measure 4.1 - support for investments in agricultural holdings

Type of operation - Restructuring, modernisation and increasing the competitiveness of agricultural holdings

Sub-measure 4.3 - support for investments in infrastructure related to development, modernisation or adaptation of agriculture and forestry

Type of operation - Water management

Type of operation – Land consolidation

**Priority 3. Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture**

Focus area 3A: Improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and organisations, and inter-branch organisations.

Sub-measure 4.2 - support for investments in processing/marketing and/or development of agricultural products

Type of operation: Increasing the added value of agricultural products

**Priority 4. Restoring, preserving and enhancing ecosystems related to agriculture and forestry**

Focus area 4A: Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints, and high nature value farming, as well as the state of European
landscapes.

Sub-measure 4.3 - support for investments in infrastructure related to development, modernisation or adaptation of agriculture and forestry

Type of operation - Improvement of forest infrastructure

Priority 5. Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in the agriculture, food and forestry sectors

Focus area 5C: Facilitating the supply and use of renewable sources of energy, of by-products, wastes, residues, and of other non-food raw material for the purposes of the bio-economy.

Sub- Measure 4.1 - support for investments in agricultural holdings

Type of operation: Use of renewable sources of energy

Sub-measure 4.2 - support for investments in processing/marketing and/or development of agricultural products

Type of operation: Use of renewable sources of energy

Sub-measure 4.4 - support for non-productive investments linked to the achievement of agri-environment-climate objectives

Type of operation - Non-productive investments related to environmental preservation

Focus area 5D: Reducing greenhouse gas and ammonia emissions from agriculture.

Sub- Measure 4.1 - support for investments in agricultural holdings

Type of operation: Reducing the negative impact on the environment

**Contribution to cross-cutting objectives**

This measure contributes to the realisation of the cross-cutting objectives related to climate change mitigation and adaption, environmental protection and innovation.

Environmental protection - The framework of this measure will foster investments in increasing the environmental efficiency of agricultural holdings and the food-processing industry, better management of forests and forest land.

Climate change mitigation and adaption - The framework of this measure will foster investments in: improving energy efficiency, reducing methane emissions from agricultural production, especially from livestock farming; increasing the production and mobilisation of renewable sources of energy and in activities aimed at preventing negative impacts of climate change.

Innovations - New technologies in production and new methods of processing and storing of agricultural
and food products introduced through this measure will ensure a competitive agri-food sector.

8.2.4.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regards to the setting of selection criteria

8.2.4.3.1. O_01: Restructuring, modernisation and increasing the competitiveness of agricultural holdings

Sub-measure:

• 4.1 - support for investments in agricultural holdings

8.2.4.3.1.1. Description of the type of operation

This type of operation will support investments in production in closed/protected spaces, technical and technological renovation, irrigation systems, agricultural land consolidation and the introduction of new production technologies.

Investments in the restructuring of small farms will be directed to fostering economic viability, economic sustainability and self-sufficiency.

Investments for the modernization of medium farms will be directed to improving the quality of physical assets with new production capacities, to ensure the technical and technological renewal of farms essential to increase productivity and provide the basis for long-term competitiveness.

The type of operation contributes to focus area 2A.

8.2.4.3.1.2. Type of support

Support shall be awarded as a grant.

8.2.4.3.1.3. Links to other legislation

Agriculture Act;

Act on Support to Agriculture and Rural Development;

Agricultural Land Act;

Construction Act;

Act on the Common Market Organization and Specific Measures and Rules Related to Markets of
8.2.4.3.1.4. Beneficiaries

Natural and legal persons registered in the Register of Agricultural Holdings.

Producer groups and organisations registered in accordance with the Act on the Common Market Organization and Specific Measures and Rules Related to Markets of Agricultural Products.

8.2.4.3.1.5. Eligible costs

a) Material costs

- investment in the construction and/or reconstruction and/or equipment of facilities for animals, with related infrastructure within the farm;

- investment in construction and/or reconstruction and/or equipment in a closed/protected spaces and facilities for the cultivation of annual and perennial crops, seeds and seedlings with related equipment and infrastructure within the farm;

- investment in the construction and/or reconstruction and/or equipment of other farm buildings, management buildings with related features, equipment and infrastructure which are in the function of basic activities;

- investment in the construction and/or reconstruction and/or equipment of facilities for marketing of primary agricultural products;

- investment in equipment for harvesting, sorting and packing of agricultural products;

- investment in the purchase of new agricultural equipment for primary production and farming vehicles;

- investment in the construction and/or reconstruction and/or equipment of facilities for storing, refrigeration, cleaning, drying, sorting and packing of agricultural products from primary agricultural production with related equipment and infrastructure;

- investment in construction and/or reconstruction and/or equipment of waste water treatment facilities, including waste water treatment equipment and equipment for the prevention of air pollution with related equipment and infrastructure;

- investment in systems for the protection against precipitation and pests with related equipment and infrastructure;

- investment in planting new and/or restructuring the existent permanent crops;

- investment in construction and/or reconstruction and/or equipment of irrigation systems on the
agricultural holding;

- investment in restoration and improvement of agricultural land for the purpose of primary production;

- investments in the purchase of land and facilities for project realisation, subject to the applicable building regulations, up to 10% value of total eligible project expenditures;

- investment in adjusting to newly introduced standards.

b) Intangible costs: acquisition or development of computer software and acquisition of patents, licences, copyrights, trademarks and other non-material investments related to material investments.

c) General costs: services of architects, engineers and consultants, feasibility studies (remain eligible costs even when no expenditure is made for costs referred to in paragraph a) Material costs based on their results) amounting up to 10% of the total eligible project expenditures.

8.2.4.3.1.6. Eligibility conditions

When submitting an application, a beneficiary must meet the following requirements:

- the investment must relate to agricultural production covered by Annex I to the Treaty or cotton, except fishery products;

- natural and legal persons must be registered in the Register of Agricultural Holdings pursuant to the Agriculture Act and producer groups and organisations must be registered pursuant to the Law on Agricultural Market Organisation;

- the beneficiary must have settled or regulated all financial obligations to the state budget while submitting the application;

- for investments in the construction and/or reconstruction and/or equipment system (infrastructure) for irrigation on the farm, the beneficiary must comply with conditions from Article 46, Regulation (EU) No 1305/2013 regarding the environmental effects and national legislation.

8.2.4.3.1.7. Principles with regards to the setting of selection criteria

Operations will be selected for co-financing on the basis of a call for proposals.

The selection criteria for the eligible operations, will be laid down in the Ordinance based on the following principles:

- the relevance of the operation with relation to the focus area;
- long-term benefits in terms of outcomes beyond the period of funding;
- technical feasibility of the operation (an assessment of whether the operation can be successfully completed within the specified timescales, to the agreed standards, and that payment will be
realistically claimed within the defined timescale);  
• age of the beneficiary;  
• farm size;  
• investments in priority sectors according to the SWOT analysis;  
• investments in areas facing natural and other specific constraints;  
• the location of the operation according to the Regional Development Index.

Only operations reaching a minimal threshold score shall be funded.

8.2.4.3.1.8. (Applicable) amounts and support rates

The minimum value of public support per operation is EUR 5.000.

The maximum value of public support per operation is EUR 3 million, with the exception of the following sectors and investments where the maximum value of public support is EUR 5 million:

Livestock sector:
- investment in construction and/or reconstruction and/or equipment of facilities for keeping dairy cows;
- investment in construction and/or reconstruction and/or equipment for reproduction centres;
- investment in construction and/or equipment of existing hatcheries.

Fruit and vegetable sector:
- investment in closed/protected spaces and
- investment in planting new perennial crops.

The intensity of the support amounts to 50% of total eligible expenditures.

The intensity of the support for investments in the implementation of the Council Directive 91/676/EEC of 12 December 1991 concerning the protection of waters against pollution caused by nitrates from agricultural sources amounts to 75% of the value of eligible expenditures until 1 July 2017 under Article 3, paragraph 2, and Article 5, paragraph 1 of that Directive. After 1 July 2017, the intensity of the support for the above investments amounts to 50%.

The maximum rates shall be increased by an additional 20 percentage points in the following cases:
- for investments implemented by young farmers setting up the agricultural holding for the first time or young farmers who have already set up the agricultural holding during the five years preceding the application for support;
- for collective investments;
- for integrated projects;
- for investments in areas facing natural and other specific constraints;
- for investments supported in the framework of the European Innovation Partnership (EIP);
- for investments linked to operations under Articles 28 and 29 of Regulation 1305/2013.

The maximum combined support shall not exceed 90% of total eligible expenditures.

A minimum 50% of the funds available for this type of operation will be reserved for operations under EUR 3 million.

8.2.4.3.1.9. Verifiability and controllability of the measures and/or types of operations

8.2.4.3.1.9.1. Risk(s) in the implementation of the measures

The risks are defined at measure level.

8.2.4.3.1.9.2. Mitigating actions

The mitigating actions are defined at measure level.

8.2.4.3.1.9.3. Overall assessment of the measure

This type of operation is verifiable and controllable.

8.2.4.3.1.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable

8.2.4.3.1.11. Information specific to the operation

Definition of non productive investments

Not applicable

Definition of collective investments
This is defined on measure level.

Definition of integrated projects

This is defined on measure level.

Definition and identification of the eligible Natura 2000 and other eligible High Nature Value Areas

This is defined on measure level.

Description of the targeting of the support to farms in accordance with the SWOT carried out in relation to the priority referred to in Article 5(2) of Regulation (EU) No 1305/2013

This is specified on measure level.

List of new requirements imposed by Union legislation for complying with which support may be granted under Article 17(6) of Regulation (EU) No 1305/2013

This is listed at measure level.

Where relevant, the minimum standards for energy efficiency referred to in Article 13(c) of [DA RD – C(2014)1460]

Not relevant.

Where relevant, definition of the thresholds referred to in Article 13(e) of [DA RD – C(2014)1460]

Not applicable.
8.2.4.3.2. O_02: Reducing the negative impact on the environment

Sub-measure:

- 4.1 - support for investments in agricultural holdings

8.2.4.3.2.1. Description of the type of operation

As manure is an exceptionally valuable product for overall crop production it should be properly stored and preserved from rinsing in order to reduce negative environmental impact. Manure containers, lagoons or pits must be waterproof to prevent spillage, rinsing or drainage of manure into the environment, as well as groundwater and surface water pollution.

The type of operation contributes to the focus area 5D through the construction or reconstruction of storage capacity for manure and application of specific agricultural machinery as well as technological modernization of barns and constructing compost bins.

8.2.4.3.2.2. Type of support

Support shall be awarded as a grant.

8.2.4.3.2.3. Links to other legislation

Agriculture Act;

Act on Fertilisers and Soil Improvers;

Act on Plant Health;

Environmental Protection Act;

Act on sustainable Waste Management.

8.2.4.3.2.4. Beneficiaries

Natural and legal persons registered in the Register of Agricultural Holdings

Producer groups and organisations registered in accordance with the Act on the Common Market Organization and Specific Measures and Rules Related to Markets of Agricultural Products.
8.2.4.3.2.5. Eligible costs

a) Material costs

- investment in the construction and/or reconstruction of manure and digestate storage capacities including the equipment for handling and using manure and digestates;

- investment in improving the efficiency of fertiliser use (machinery and equipment for loading, transportation and application of fertilizers (mineral and organic fertilizers);

b) Intangible costs: acquisition or development of computer software and acquisition of patents, licences, copyrights, trademarks and other non-material investments related to material investments;

c) General costs: services of architects, engineers and consultants, feasibility studies (remain eligible costs even when no expenditure is made on costs referred to in paragraph a) Material costs) amounting up to 10 % of the total eligible project expenditures.

8.2.4.3.2.6. Eligibility conditions

When submitting an application, a beneficiary must meet the following requirements,

- the investment must relate to agricultural production covered by Annex I to the Treaty or cotton, except fishery products.

8.2.4.3.2.7. Principles with regards to the setting of selection criteria

Projects will be selected for co-financing on the basis of a call for proposals.

The selection criteria for the eligible operations, will be laid down in the Ordinance based on the following principles:

- the relevance of the operation with relation to the focus area;
- long-term benefits in terms of outcomes beyond the period of funding;
- technical feasibility of the operation (an assessment of whether the operation can be successfully completed within the specified timescales, to the agreed standards, and that payment will be realistically claimed within the defined timescale);
- age of the beneficiary;
- farm size;
- investments in areas facing natural and other specific constraints;
- the location of the operation according to the Regional Development Index.

Only projects reaching a minimal threshold score shall be funded.
8.2.4.3.2.8. (Applicable) amounts and support rates

The minimum value of public support per operation is EUR 5,000.

The maximum value of public support per operation is EUR 1 million.

Intensity of the support for investments amounts to 50% of total eligible expenditures.

Intensity of the support for investments in the implementation of the Council Directive 91/676/EEC of 12 December 1991 concerning the protection of waters against pollution caused by nitrates from agricultural sources amounts up to 75% of the value of eligible expenditures until 1 July 2017 under Article 3, paragraph 2, and Article 5, paragraph 1 of that Directive. After 1 July 2017, intensity of the support for the above investments amounts to 50%.

The maximum rates shall be increased by an additional 20 percentage points in the following cases:

- for investments implemented by young farmers setting up the agricultural holding for the first time or young farmers who have already set up an agricultural holding during the five years preceding the application for support;
- for collective investments;
- for integrated projects;
- for investments in areas facing natural and other specific constraints;
- for investments supported in the framework of the European Innovation Partnership (EIP);
- for investments linked to operations under Articles 28 and 29 of the Regulation 1305/2013.

The maximum combined support shall not exceed 90% of total eligible expenditures.

8.2.4.3.2.9. Verifiability and controllability of the measures and/or types of operations

8.2.4.3.2.9.1. Risk(s) in the implementation of the measures

The risks are defined at measure level.

8.2.4.3.2.9.2. Mitigating actions

The mitigating actions are defined at measure level.
8.2.4.3.2.9.3. **Overall assessment of the measure**

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<td>This type of operation is verifiable and controllable.</td>
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8.2.4.3.2.10. **Methodology for calculation of the amount or support rate, where relevant**

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8.2.4.3.2.11. **Information specific to the operation**

**Definition of non productive investments**

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**Definition of collective investments**

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**Definition of integrated projects**

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**Definition and identification of the eligible Natura 2000 and other eligible High Nature Value Areas**

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**Description of the targeting of the support to farms in accordance with the SWOT carried out in relation to the priority referred to in Article 5(2) of Regulation (EU) No 1305/2013**

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**List of new requirements imposed by Union legislation for complying with which support may be granted under Article 17(6) of Regulation (EU) No 1305/2013**

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Where relevant, the minimum standards for energy efficiency referred to in Article 13(c) of [DA RD – C(2014)1460]

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Where relevant, definition of the thresholds referred to in Article 13(e) of [DA RD – C(2014)1460]

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8.2.4.3.3. O_03: Use of renewable sources of energy

Sub-measure:

- 4.1 - support for investments in agricultural holdings

8.2.4.3.3.1. Description of the type of operation

Construction of facilities for the production of energy from renewable sources for use on agricultural holdings contributes to the improvement of efficient energy use and the supply and use of energy from by-products. The objective is to increase the independence of farms for energy. The operation contributes to focus area 5C by fostering the substitution fossil fuels with renewable sources of energy for the individual needs of agricultural holdings.

8.2.4.3.3.2. Type of support

Support shall be awarded as a grant.

8.2.4.3.3.3. Links to other legislation

Agriculture Act;

Energy Act;

Electricity Market Act;

Act on Regulation of Energy-Related Activities;

Construction Act.

8.2.4.3.3.4. Beneficiaries

Natural and legal persons registered in the Register of Agricultural Holdings.

8.2.4.3.3.5. Eligible costs

a) Material costs

- investment in the construction and/or reconstruction and/or equipment of plants for the production of energy from renewable sources for the individual needs of farms, with related equipment and infrastructure;
- investment in the construction and/or reconstruction and/or equipment of facilities for receiving, processing and storing of raw materials for energy production from renewable energy sources with related equipment and infrastructure;

- investment in the construction and/or reconstruction and/or equipment of facilities for processing, storing, transporting and applying initial substrates for organic fertilisation on agricultural areas with related equipment and infrastructure.

b) Intangible costs: acquisition or development of computer software and acquisition of patents, licences, copyrights, trademarks and other non-material investments related to material investments.

c) General costs: services of architects, engineers and consultants, feasibility studies (remain eligible costs even when no expenditure is made on costs referred to in paragraph a) Material costs) amounting up to 10% of the total eligible project expenditures.

### 8.2.4.3.3.6. Eligibility conditions

When submitting an application, a beneficiary must meet the following requirements:

- the investment must relate to agricultural production covered by Annex I to the Treaty or cotton, except fishery products;

- the production capacity from the renewable energy sources shall not exceed the needs of the farm;

- the investment in the facilities for the primary production of electricity from biomass are eligible for support, only if they use a minimum percentage of heat energy;

- the investment for production of energy from biomass: the use of animal feed derived from agricultural production is eligible, only for silage maize and up to 20%.

### 8.2.4.3.3.7. Principles with regards to the setting of selection criteria

Operations will be selected for co-financing on the basis of a call for proposals. The selection criteria for the eligible operations, will be laid down in the Ordinance based on the following principles:

- long-term benefits in terms of outcomes beyond the period of funding;
- technical feasibility of the operation (an assessment of whether the operation can be successfully completed within the specified timescales, to the agreed standards, and that payment will be realistically claimed within the defined timescale);
- age of the beneficiary;
- farm size;
- investments in priority sectors according to the SWOT analysis;
- type of raw material for producing energy from renewable sources;
- investments in areas facing natural and other specific constraints;
- the location of the operation according to the Regional Development Index.

Only operations reaching a minimal threshold score shall be funded.

8.2.4.3.3.8. (Applicable) amounts and support rates

The minimum value of public support per operation is EUR 5,000.

The maximum value of public support per operation is EUR 1 million.

Intensity of the support for investments amounts to 50% of total eligible expenditures.

The maximum rates shall be increased by an additional 20 percentage points in the following cases:

- for investments implemented by young farmers regardless they set up the agricultural holding for the first time or young farmers who have already set up during the five years preceding the application for support;
- for collective investments;
- for integrated projects;
- for investments in areas facing natural and other specific constraints;
- for investments supported in the framework of the European Innovation Partnership (EIP);
- for investments linked to the operations under Articles 28 and 29 of the Regulation 1305/2013.

8.2.4.3.3.9. Verifiability and controllability of the measures and/or types of operations

8.2.4.3.3.9.1. Risk(s) in the implementation of the measures

The risks are defined at measure level.

8.2.4.3.3.9.2. Mitigating actions

The mitigating actions are defined at measure level.
8.2.4.3.9.3. **Overall assessment of the measure**

This type of operation is verifiable and controllable.

8.2.4.3.10. **Methodology for calculation of the amount or support rate, where relevant**

Not applicable

8.2.4.3.11. **Information specific to the operation**

**Definition of non productive investments**

This is defined at measure level.

**Definition of collective investments**

This is defined at measure level.

**Definition of integrated projects**

This is defined at measure level.

**Definition and identification of the eligible Natura 2000 and other eligible High Nature Value Areas**

This is defined at measure level.

Description of the targeting of the support to farms in accordance with the SWOT carried out in relation to the priority referred to in Article 5(2) of Regulation (EU) No 1305/2013

This described at measure level.

List of new requirements imposed by Union legislation for complying with which support may be granted under Article 17(6) of Regulation (EU) No 1305/2013

This is listed at measure level.
Where relevant, the minimum standards for energy efficiency referred to in Article 13(c) of [DA RD – C(2014)1460]

<table>
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8.2.4.3.4. O_04: Increasing the added value of agricultural products

Sub-measure:

- 4.2 - support for investments in processing/marketing and/or development of agricultural products

8.2.4.3.4.1. Description of the type of operation

The objective of this type of operation is enabling the increase in the value of products from primary agricultural production for primary agricultural producers, as well as for those who process agricultural products as an exclusive activity. The operation will also contribute to increasing the competitiveness of Croatian products and employment growth in rural areas. Furthermore, the operation will enable the modernization of existing processing capacity.

The result of the production process as part of this operation must be a product listed in Annex I of the EU Treaty or cotton, with the exception of fishery products.

The operation contributes to focus area 3A through the modernization of processing procedures, adoption of new technical and technological solutions, and the integration of farmers in agri-food chain, through organizing producers and promoting products on the market.

8.2.4.3.4.2. Type of support

Support shall be awarded as a grant.

8.2.4.3.4.3. Links to other legislation

Agriculture Act;
Food Act;
Act on Geographical Indications and Designations of Origin of Products and Services;
Veterinary Act;
Act on Sustainable Waste Management;
Cooperatives Act;
Associations Act.
8.2.4.3.4.4. Beneficiaries

Natural and legal persons registered for the processing of products covered by Annex I to the Treaty or cotton, except fishery products.

Natural and legal persons registered in the Register of Agricultural Holdings.

8.2.4.3.4.5. Eligible costs

a) Material costs:

- investment in the construction and/or reconstruction and/or equipment of facilities that operating with milk with related equipment and internal and external infrastructure, including milk cooling equipment for raw milk;

- investment in specialized transport vehicles for the transport of raw milk with additional equipment;

- investment in the construction and/or reconstruction and/or equipment for slaughterhouses, cutting plants, cold storage, processing facilities (meat, egg) with related infrastructure;

- investment in the construction and/or reconstruction and/or equipment of collection centers for the collecting and processing of waste and animal by-products not intended for human consumption with related infrastructure;

- investment in the construction and/or reconstruction and/or equipment of facilities for processing of fruits, vegetables, grapes (except for wine), herbs and mushrooms, with related infrastructure including the processing of waste from production;

- investment in the construction or reconstruction and/or equipment of facilities for processing olives, olive pomace with related infrastructure;

- investment in the construction and/or reconstruction and/or equipment of facilities for the processing of cereal and oil crops with related infrastructure;

- investment in the construction and/or reconstruction and/or equipment of facilities for the processing of honey with related infrastructure;

- investment in the construction and/or reconstruction and/or equipment of other farm buildings, management buildings with related features, equipment and infrastructure which are in the function of basic activities;

- investment in the purchase of machinery, farming vehicles, machines and equipment (including technological and IT equipment) for product processing, packaging, labeling, storing, manipulation;

- investment in the construction and/or reconstruction and/or equipment of facilities for selling and presentation of own agricultural products;
- marketing costs of own agricultural products related to investment in the sub-measure 4.2.;

- investment in the construction and/or reconstruction of facilities and equipment for waste water treatment in processing and marketing, air filtration and cooling systems with related infrastructure;

- investment in laboratories and laboratory equipment for the analysis of products;

- investment in purchase of land and facilities for project realisation, subject to the building regulations, up to 10% value of total eligible project expenditures;

- investment in adjusting to newly introduced standards.

b) Intangible costs: acquisition or development of computer software and acquisition of patents, licences, copyrights, trademarks and other non-material investments related to material investments.

c) General costs: services of architects, engineers and consultants, feasibility studies (remain eligible costs even when no expenditure is made on costs referred to in paragraph a) Material costs) amounting up to 10% of the total eligible project expenditure.

8.2.4.3.4.6. Eligibility conditions

When submitting an application, a beneficiary must meet the following requirements:

- the investment must relate to the processing and/or marketing and/or development of agricultural products listed in Annex I of the EU Treaty or cotton, except fishery products.

8.2.4.3.4.7. Principles with regards to the setting of selection criteria

Operations will be selected for co-financing on the basis of a call for proposals.

The selection criteria for the eligible operations, will be laid down in the Ordinance based on the following principles:

- long-term benefits in terms of outcomes beyond the period of funding;
- technical feasibility of the operation (an assessment of whether the operation can be successfully completed within the specified timescales, to the agreed standards, and that payment will be realistically claimed within the defined timescale);
- age of the beneficiary;
- investments in priority sectors according to the SWOT analysis;
- the use of renewable energy resources in the production process;
- investments in areas facing natural and other specific constraints;
- the location of the operation according to the Regional Development Index.
Only operations reaching a minimal threshold score shall be funded.

8.2.4.3.4.8. (Applicable) amounts and support rates

The minimum value of public support per operation is EUR 10,000.

The maximum value of public support per operation is EUR 3 million except for the following sectors and investments where the maximum value of public support amounts to EUR 5 million.

Meat sector:
- investment in construction and/or reconstruction and/or equipment for slaughterhouses, cutting plants, cold storage, facilities for the meat processing with related infrastructure.

Milk sector:
- investment in construction and/or reconstruction and/or equipment of facilities that operating with milk including milk cooling equipment for raw milk with related equipment and infrastructure.

Intensity of the support for investments amounts to 50% of total eligible costs.

The listed intensity of the support shall be increased by additional 20 percentage points for:
- activities supported within the EIP programme or
- activities related to connecting producer organisations.

8.2.4.3.4.9. Verifiability and controllability of the measures and/or types of operations

8.2.4.3.4.9.1. Risk(s) in the implementation of the measures

The risks are defined at measure level.

8.2.4.3.4.9.2. Mitigating actions

The mitigating actions are defined at measure level.

8.2.4.3.4.9.3. Overall assessment of the measure

This type of operation is verifiable and controllable.
8.2.4.3.4.10. Methodology for calculation of the amount or support rate, where relevant
Not applicable

8.2.4.3.4.11. Information specific to the operation
Definition of non productive investments
This is defined at measure level.

Definition of collective investments
This is defined at measure level.

Definition of integrated projects
This is defined at measure level.

Definition and identification of the eligible Natura 2000 and other eligible High Nature Value Areas
This is defined at measure level.

Description of the targeting of the support to farms in accordance with the SWOT carried out in relation to the priority referred to in Article 5(2) of Regulation (EU) No 1305/2013
This is defined at measure level

List of new requirements imposed by Union legislation for complying with which support may be granted under Article 17(6) of Regulation (EU) No 1305/2013
This is listed at measure level.

Where relevant, the minimum standards for energy efficiency referred to in Article 13(c) of [DA RD – C(2014)1460]
Not relevant
Where relevant, definition of the thresholds referred to in Article 13(e) of [DA RD – C(2014)1460]

Not relevant.
8.2.4.3.5. O_05: Use of renewable sources of energy

Sub-measure:

- 4.2 - support for investments in processing/marketing and/or development of agricultural products

8.2.4.3.5.1. Description of the type of operation

The construction of facilities for the production of energy from renewable sources for use for food processing contributes to the improvement of efficient energy use and the supply and use of energy from by-products. The operation contributes to focus area 5C by substituting fossil fuels with renewable sources of energy for the individual needs of food processing plants.

8.2.4.3.5.2. Type of support

Support shall be awarded as a grant.

8.2.4.3.5.3. Links to other legislation

Agriculture Act;

Energy Act;

Electricity Market Act;

Act on Regulation of Energy-Related Activities;

Construction Act.

8.2.4.3.5.4. Beneficiaries

Natural and legal persons registered for the processing of products covered by Annex I to the Treaty or cotton, except fishery products.

Natural and legal persons registered in the Register of Agricultural Holdings.

8.2.4.3.5.5. Eligible costs

a) Material costs

- investment in the construction and/or reconstruction and/or equipment of plants for the production of energy from renewable sources for the individual needs of farms, with the related equipment and
infrastructure;

- investment in the construction and/or reconstruction and/or equipment of facilities for receiving, processing and storing of raw materials for energy production from renewable energy sources with related equipment and infrastructure;

- investment in the construction and/or reconstruction and/or equipment of facilities for processing, storing, transporting and applying initial substrates for organic fertilisation on agricultural areas with related equipment and infrastructure.

b) Intangible costs: acquisition or development of computer software and acquisition of patents, licences, copyrights, trademarks and other non-material investments related to material investments.

c) General costs: services of architects, engineers and consultants, feasibility studies (remain eligible costs even when there are no costs referred to in paragraph a) Material costs) amounting up to 10% of the total eligible project expenditures.

8.2.4.3.5.6. Eligibility conditions

When submitting an application, a beneficiary must meet the following requirements:

- the investment must relate to the processing and/or marketing and/or development of agricultural products listed in Annex I of the EU Treaty or cotton, except fishery products;

- the production capacity from renewable energy sources shall not exceed the needs of the holding;

- the investment in the facilities for the primary production of electricity from biomass are eligible for support, only if they use a minimum percentage of heat energy;

- the investment for production of energy from biomass the use of animal feed derived from agricultural production is eligible, only for silage maize and up to 20%.

8.2.4.3.5.7. Principles with regards to the setting of selection criteria

Operations will be selected for co-financing on the basis of a call for proposals.

The selection criteria for the eligible operations, will be laid down in the Ordinance based on the following principles:

- long-term benefits in terms of outcomes beyond the period of funding;
- technical feasibility of the operation (an assessment of whether the operation can be successfully completed within the specified timescales, to the agreed standards, and that payment will be realistically claimed within the defined timescale);
- age of the beneficiary;
• farm size;
• investments in priority sectors according to the SWOT analysis;
• investments in areas facing natural and other specific constraints;
• the location of the operation according to the Regional Development Index.

Only operations reaching a minimal threshold score shall be funded.

8.2.4.3.5.8. (Applicable) amounts and support rates

The minimum value of public support per operation is EUR 10,000.

The maximum value of public support per operation is EUR 1 million.

Intensity of the support for investments amounts to 50% of total eligible costs.

The listed intensity of the support shall be increased by additional 20 percentage points for:
• activities supported within the EIP programme or
• activities related to connecting producer organisations.

8.2.4.3.5.9. Verifiability and controllability of the measures and/or types of operations

8.2.4.3.5.9.1. Risk(s) in the implementation of the measures

The risks are defined at measure level.

8.2.4.3.5.9.2. Mitigating actions

The mitigating actions are defined at measure level.

8.2.4.3.5.9.3. Overall assessment of the measure

This type of operation is verifiable and controllable.

8.2.4.3.5.10. Methodology for calculation of the amount or support rate, where relevant

Not relevant
8.2.4.3.5.11. Information specific to the operation

**Definition of non productive investments**

This is defined on measure level.

**Definition of collective investments**

This is defined on measure level.

**Definition of integrated projects**

This is defined on measure level.

**Definition and identification of the eligible Natura 2000 and other eligible High Nature Value Areas**

This is defined on measure level.

**Description of the targeting of the support to farms in accordance with the SWOT carried out in relation to the priority referred to in Article 5(2) of Regulation (EU) No 1305/2013**

This is defined on measure level.

**List of new requirements imposed by Union legislation for complying with which support may be granted under Article 17(6) of Regulation (EU) No 1305/2013**

Not applicable.

**Where relevant, the minimum standards for energy efficiency referred to in Article 13(c) of [DA RD – C(2014)1460]**

Not relevant.

**Where relevant, definition of the thresholds referred to in Article 13(e) of of [DA RD – C(2014)1460]**

Not relevant.
8.2.4.3.6. O_06: Water management

Sub-measure:

- 4.3 - support for investments in infrastructure related to development, modernisation or adaptation of agriculture and forestry

8.2.4.3.6.1. Description of the type of operation

Investments in the public water supply for an irrigation system for agricultural land to provide access up to the agricultural parcels will reduce the damage to agricultural production caused by drought and increase the agricultural potential of the land therefore contributing to economic viability. This type of operation will not fund any investments within the farms or on agricultural parcels as that will be the subject of measure 7 (sub-measure 7.2.).

The operation contributes to focus area 2A by contributing to water management and irrigation system thereby enabling stable agricultural production.

8.2.4.3.6.2. Type of support

Support shall be awarded as a grant.

8.2.4.3.6.3. Links to other legislation

Agriculture Act;
Agricultural Land Act;
Water Act;
Environmental Protection Act;
Act on Financing of Local and Regional Self-government Units.

8.2.4.3.6.4. Beneficiaries

Regional self-government units.

8.2.4.3.6.5. Eligible costs

a) Material costs
- investment in water supply infrastructure to the farm.

b) Intangible costs: acquisition or development of computer software and acquisition of patents, licences, copyrights, trademarks and other non-material investments related to material investments.

c) General costs: services of architects, engineers and consultants, the costs of preparing the project (preliminary, basic and detailed design) and study documentation, feasibility studies amounting up to 10% of the total eligible project expenditures.

8.2.4.3.6.6. Eligibility conditions

When submitting an application, a beneficiary must meet the following requirements:

- Investments must comply in full with the requirements of Art. 46 of the Regulation No.1305/2013 regarding the environmental effects and national legislation;

- The beneficiary must guarantee the maintenance of the investment for at least 5 years from the payment of the final instalment.

8.2.4.3.6.7. Principles with regards to the setting of selection criteria

Operations will be selected for co-financing on the basis of a call for proposals.

The selection criteria for the eligible operations, will be laid down in the Ordinance based on the following principles:

- long-term benefits in terms of outcomes beyond the period of funding;
- technical feasibility of the operation (an assessment of whether the operation can be successfully completed within the specified timescales, to the agreed standards, and that payment will be realistically claimed within the defined timescale);
- soil suitability for irrigation;
- prioritisation for areas with poor hydrographic indicators;
- the total area of agricultural land potentially accessed by the public irrigation system and number of targeted agricultural holders;
- the location of the operation according to the Regional Development Index.

Only operations reaching a minimal threshold score shall be funded.

8.2.4.3.6.8. (Applicable) amounts and support rates

The minimum value of public support per operation is EUR 150.000.
The maximum value of public support per operation is to EUR 15 million.
Intensity of the support is up to 100% of total eligible project expenditures.

8.2.4.3.6.9. Verifiability and controllability of the measures and/or types of operations

8.2.4.3.6.9.1. Risk(s) in the implementation of the measures
The risks are defined at measure level.

8.2.4.3.6.9.2. Mitigating actions
The mitigating actions are defined at measure level.

8.2.4.3.6.9.3. Overall assessment of the measure
This type of operation is verifiable and controllable.

8.2.4.3.6.10. Methodology for calculation of the amount or support rate, where relevant
Not relevant

8.2.4.3.6.11. Information specific to the operation
Definition of non productive investments
Not applicable.

Definition of collective investments
This is defined on measure level.

Definition of integrated projects
This is defined on measure level.

Definition and identification of the eligible Natura 2000 and other eligible High Nature Value Areas
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<td>Not relevant.</td>
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8.2.4.3.7. O_07: Land consolidation

Sub-measure:

- 4.3 - support for investments in infrastructure related to development, modernisation or adaptation of agriculture and forestry

8.2.4.3.7.1. Description of the type of operation

The inefficiency of agricultural production is the result of a very fragmented and often very distant farm land of the majority of family farms.

Land consolidation shall be fostered with the aim of consolidating cadastral parcels into larger and more regular plots for their cost-effective use and the creation of favourable conditions for the development of agricultural production. The operation contributes to focus area 2A.

8.2.4.3.7.2. Type of support

Support shall be awarded as a grant.

8.2.4.3.7.3. Links to other legislation

Agriculture Act;
Agricultural Land Act;
Construction Act;
Act on Financing of Local and Regional Self-government Units.

8.2.4.3.7.4. Beneficiaries

Local and regional self-government units.

8.2.4.3.7.5. Eligible costs

a) Material costs:
- investment in agricultural land consolidation,

b) Intangible costs: acquisition or development of computer software and acquisition of patents, licences,
copyrights, trademarks and other non-material investments related to material investments.

c) General costs: services of architects, engineers and consultants, feasibility studies (remain eligible costs even when no expenditure is made on costs referred to in paragraph a) Material costs), amounting up to 10 % of the total eligible project expenditures.

8.2.4.3.7.6. Eligibility conditions

When submitting an application, a beneficiary must meet the following requirements:

- Adopted land consolidation plan on national level;
- The beneficiary must have a formal Decision approving the preliminary project for land consolidation;
- Official decision from Agricultural Land Agency on initiating the process of consolidation;
- Agreement between the Agricultural Land Agency and local or regional self-government units on mutual rights and obligations in the implementation of land consolidation and financial costs of consolidation.

8.2.4.3.7.7. Principles with regards to the setting of selection criteria

Operations will be selected for co-financing on the basis of a call for proposals.

The selection criteria for the eligible operations, will be laid down in the Ordinance based on the following principles:

- the degree of fragmentation of agricultural land in the applicable territory;
- the number of target agricultural holdings covered by the operation;
- the total area of agricultural land covered by the operation;
- the location of the operation according to the Regional Development Index.

Only operations reaching a minimal threshold score shall be funded.

8.2.4.3.7.8. (Applicable) amounts and support rates

The minimum value of public support per operation is EUR 150,000.

The maximum value of public support per operation is EUR 250,000.

Intensity of the support amounts to 100% of total eligible expenditures.
### 8.2.4.3.7.9. Verifiability and controllability of the measures and/or types of operations

#### 8.2.4.3.7.9.1. Risk(s) in the implementation of the measures

The risks are defined at measure level.

#### 8.2.4.3.7.9.2. Mitigating actions

The mitigating actions are defined at measure level.

#### 8.2.4.3.7.9.3. Overall assessment of the measure

This type of operation is verifiable and controllable.

#### 8.2.4.3.7.10. Methodology for calculation of the amount or support rate, where relevant

Not relevant

#### 8.2.4.3.7.11. Information specific to the operation

**Definition of non productive investments**

This is defined at measure level.

**Definition of collective investments**

Not applicable.

**Definition of integrated projects**

Not applicable.

**Definition and identification of the eligible Natura 2000 and other eligible High Nature Value Areas**

Not applicable.
Description of the targeting of the support to farms in accordance with the SWOT carried out in relation to the priority referred to in Article 5(2) of Regulation (EU) No 1305/2013

Not applicable.

List of new requirements imposed by Union legislation for complying with which support may be granted under Article 17(6) of Regulation (EU) No 1305/2013

Not applicable.

Where relevant, the minimum standards for energy efficiency referred to in Article 13(c) of [DA RD – C(2014)1460]

Not relevant.

Where relevant, definition of the thresholds referred to in Article 13(e) of [DA RD – C(2014)1460]

Not relevant.
8.2.4.3.8. O_08: Improvement of forest infrastructure

Sub-measure:

- 4.3 - support for investments in infrastructure related to development, modernisation or adaptation of agriculture and forestry

8.2.4.3.8.1. Description of the type of operation

Private forests have very low average forest road density (estimated value some 6.5km/1000ha) State-owned forests have higher average forest road density amounting to 10.13km/1000ha (Pentek et al. 2014)[1], but, which is still unsatisfactory, given that forest road density should be from 15km/1000ha to 25km/1000ha depending on the relief area. Besides that, in state-owned forests there are still large unopened inaccessible forest areas. Inaccessibility and low forest openness have a direct impact on increase of all forest management costs. The construction of new and reconstruction of existing forest infrastructure, especially forest roads, will increase the value of forests and forest land. Improved forest infrastructure (forest roads, skid roads) increases the potential for timber supply and wood biomass supply, provides better protection of forests (especially forest fire protection), also increases forest ecosystem services, opens new area for non-timber product collection and the growth of potential for sustainable forest management with long-term economic benefits. Apart from the growth of ecosystem services, opening of new forest areas will contribute to opening new working places primarily in rural areas.

This type of operation has significant integrative and multiplicative effects when combined with other investments for forestry, especially with the measure M08 - Investments in forest area development and improvement of forest viability.

The operation contributes to focus area 4A enhancing sustainable forest management; to the focus area 5C facilitating effective and improved production and supply of wood and wood biomass and to the focus area 5E enhancing forest capacity for carbon sequestration improving sustainable forest management.


8.2.4.3.8.2. Type of support

Support shall be awarded as a grant.

8.2.4.3.8.3. Links to other legislation

Forest Act
8.2.4.3.8.4. Beneficiaries

- Private and public forest holders;
- Public/state entities managing state forests and forest land according to the Forest Act;
- Associations of private forest holders according to the national legislation.

8.2.4.3.8.5. Eligible costs

a) Material costs:
- costs of forest road and skid road design (setting up zero line, main line, field measurements, making of main project of forest road etc.);
- construction costs (preparatory works, soil improvement works, works on lower layer, works on upper layer, drainage works, concrete and rocky works), costs of material and machine works, etc.);
- reconstruction costs (reconstruction of lower and upper layer of forest road, reconstruction of culverts, bridges, ditches, retaining and revetment walls etc.) costs of material and machine works, etc.;
- supervising costs (costs of licensed forest engineer for supervision of forest road);
- purchase of forest and other land only for project implementation purposes, subject to applicable permits, for a maximum of 10% of the total eligible expenditures.

b) General costs: services of consultants and other general costs required for project preparation and implementation (e.g. feasibility studies, CBA analyses, business plans, other project and technical documentation, environmental impact studies, etc.) for a maximum of 15% of the total eligible expenditures.

8.2.4.3.8.6. Eligibility conditions

All the investments within the framework of this operation, regardless of the size of a forest holding, must be in accordance with the following forest management plans or equivalent document as established in Croatia, as follows:

- for state-owned forests managed by the company in accordance with the Forest Act, the investment must be in accordance with the Forest Management Unit Plan or the Karst Forest Management Unit Plan,
- for state-owned forests managed by other state administration bodies and legal persons established by the Republic of Croatia the investment must be in accordance with the Special Purpose Forests Management Plan,
- for privately-owned forests investments must be in accordance with the Private Forest
Management Plans or the *Elaborate of silvicultural works for private forest holders* issued by Advisory Service;

- Private forest holders must be registered in the Register of Private Forest Holders at the Ministry of Agriculture;

- Forest holder associations must be registered in accordance with national legislation.

8.2.4.3.8.7. Principles with regards to the setting of selection criteria

Operations will be selected for co-financing on the basis of a call for proposals. The selection criteria for the eligible operations, will be laid down in the Ordinance based on the following principles:

- the forest area opened (ha);
- current forest road density (km/1000ha) the total area of agricultural land covered by the operation;
- the combination of investments under sub-measure 4.3.3 and sub-measure 8.5.

Only operations reaching a minimal threshold score shall be funded.

8.2.4.3.8.8. (Applicable) amounts and support rates

The minimum value of support per operation is EUR 10,000.

The maximum value of support per operation is EUR 1 million.

Intensity of the support is up to 100% of total eligible expenditures.

8.2.4.3.8.9. Verifiability and controllability of the measures and/or types of operations

8.2.4.3.8.9.1. Risk(s) in the implementation of the measures

The risks are defined at measure level.

8.2.4.3.8.9.2. Mitigating actions

The mitigating actions are defined at measure level.
### 8.2.4.3.8.9.3. Overall assessment of the measure

This type of operation is verifiable and controllable.

### 8.2.4.3.8.10. Methodology for calculation of the amount or support rate, where relevant

Not relevant

### 8.2.4.3.8.11. Information specific to the operation

#### Definition of non productive investments

This is defined at measure level.

#### Definition of collective investments

This is defined at measure level.

#### Definition of integrated projects

This is defined at measure level.

#### Definition and identification of the eligible Natura 2000 and other eligible High Nature Value Areas

This is defined at measure level.

Description of the targeting of the support to farms in accordance with the SWOT carried out in relation to the priority referred to in Article 5(2) of Regulation (EU) No 1305/2013

This is defined at measure level.

List of new requirements imposed by Union legislation for complying with which support may be granted under Article 17(6) of Regulation (EU) No 1305/2013

This is listed at measure level.
Where relevant, the minimum standards for energy efficiency referred to in Article 13(c) of [DA RD – C(2014)1460]

Not relevant

Where relevant, definition of the thresholds referred to in Article 13(e) of [DA RD – C(2014)1460]

Not relevant
8.2.4.3.9. O_09: Non-productive investments related to environmental preservation

Sub-measure:

- 4.4 - support for non-productive investments linked to the achievement of agri-environment-climate objectives

8.2.4.3.9.1. Description of the type of operation

Support will be provided for investment in restoration of habitats and landscape features, including the construction and restoration of green infrastructure, protection of livestock from large carnivores, and restoration of ponds, ensuring the preservation of various species and endangered habitats.

This type of operation contributes to focus area 4A through activities within the framework of agri-environment-climate commitments, through the protection, maintenance and restoration of biodiversity and other natural values.

8.2.4.3.9.2. Type of support

Support shall be awarded as a grant.

8.2.4.3.9.3. Links to other legislation

Agriculture Act;

Environmental Protection Act;

Nature Protection Act.

8.2.4.3.9.4. Beneficiaries

- Agriculture holdings registered in the Register of Agricultural Holdings;

- Public institutions and bodies;

- Civil associations involved in the protection and promotion of cultural values and environmental protection.

8.2.4.3.9.5. Eligible costs

a) Material costs:
- investment in building terraces;
- investment in building stonewalls and planting hedges;
- removing invasive alien species from agricultural land;
- procuring electric shepherds with related equipment and the indigenous shepherd dog (Tornjak);
- restoring habitats important for biodiversity preservation on agricultural land which was not maintained in accordance with good agricultural practice regarding the type of use;
- investment in the renovation of derelict ponds for livestock.

b) Intangible costs: acquisition or development of computer software and acquisition of patents, licences, copyrights, trademarks and other non-material investments related to material investments.

c) General costs: services of architects, engineers and consultants, feasibility studies (remain eligible costs even when no expenditure is made on costs referred to in paragraph a) Material costs) amounting up to 10 % of the total eligible project expenditures.

8.2.4.3.9.6. Eligibility conditions

General:

- The investment must be in accordance with the standards related to environmental and nature protection;
- Beneficiaries who are restoring habitats important for biodiversity conservation on agricultural land that has not been not maintained in accordance with good agricultural practices with regard to the type of use, must comply with the cross compliance measure at the latest one year after the beginning of this sub-measure.

Specific conditions on eligible activities:

Building terraces

- raising the terraces in areas where they are traditionally present with stone walls supporting land, plant material or other natural materials in the immediate vicinity.

Building stonewalls

- stonewalls can be built only in those localities in which they are traditionally present and where the previous location of stonewall is clearly visible.

Planting hedges

- hedges should consist at least three different deciduous plant species (to be defined by a competent
authority).

Removing invasive alien species from agricultural land

- presence of invasive species on agricultural land. A list of invasive species will be specified in the sub-measure Ordinance.

Purchase of electric shepherds with related equipment and indigenous shepherd dogs (Tornjak)

– for farms that are engaged in livestock production;

- for breeding/rearing livestock in the area where there is a natural distribution of large carnivores as well as for beneficiaries from Measure M10 Agri - environment - climate, under sub-measure 10.2. Areas of large carnivores will be specified in the Ordinances.

Restoring habitats important for biodiversity preservation on agricultural land which has not been maintained in accordance with good agricultural practice regarding the type of use

- implementation on overgrown agricultural land or on agricultural land which is in the process of becoming overgrown.

Restoration of derelict ponds for livestock

- presence of healed/derelict ponds in areas with extensive cattle breeding.

8.2.4.3.9.7. Principles with regards to the setting of selection criteria

Operations will be selected for co-financing on the basis of a call for proposals.

The selection criteria for the eligible operations, will be laid down in the Ordinance based on the following principles:

• Areas with natural or specific constraints;
• Natura 2000 areas;
• Beneficiary is under organic production or agro-environmental measures.

Only operations reaching a minimal threshold score shall be funded.

8.2.4.3.9.8. (Applicable) amounts and support rates

The minimum value of public support per operation is EUR 1,500.

The maximum value of public support per operation is EUR 150,000.
Intensity of the support amounts to 100% of total eligible expenditures.

8.2.4.3.9.9. Verifiability and controllability of the measures and/or types of operations

8.2.4.3.9.9.1. Risk(s) in the implementation of the measures

The risks are defined at measure level.

8.2.4.3.9.9.2. Mitigating actions

The mitigating actions are defined at measure level.

8.2.4.3.9.9.3. Overall assessment of the measure

This type of operation is verifiable and controllable.

8.2.4.3.9.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.4.3.9.11. Information specific to the operation

Definition of non productive investments

- investment in building terraces;
- investment in building stonewalls and planting hedges;
- removing invasive alien species from agricultural land;
- procuring electric shepherds with related equipment and the indigenous shepherd dog (Tornjak);
- restoring habitats important for biodiversity preservation on agricultural land which was not maintained in accordance with good agricultural practice regarding the type of use;
- investment in the renovation of derelict ponds for livestock.

Definition of collective investments
<table>
<thead>
<tr>
<th><strong>Not applicable.</strong></th>
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**Definition of integrated projects**

Not applicable.

**Definition and identification of the eligible Natura 2000 and other eligible High Nature Value Areas**

This is defined on measure level.

**Description of the targeting of the support to farms in accordance with the SWOT carried out in relation to the priority referred to in Article 5(2) of Regulation (EU) No 1305/2013**

This is described at measure level.

**List of new requirements imposed by Union legislation for complying with which support may be granted under Article 17(6) of Regulation (EU) No 1305/2013**

This is listed at measure level.

Where relevant, the minimum standards for energy efficiency referred to in Article 13(c) of [DA RD – C(2014)1460]

Not relevant

Where relevant, definition of the thresholds referred to in Article 13(e) of [DA RD – C(2014)1460]

Not relevant

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**8.2.4.4. Verifiability and controllability of the measures and/or types of operations**

**8.2.4.4.1. Risk(s) in the implementation of the measures**

- Public procurement rules are not respected in contracts where this is foreseen
- Large number of applications or complexity of procedures which may be disproportionate creates a huge administrative burden and pressure resulting in a higher error rate
Potential beneficiaries do not have the sufficient knowledge or adequate equipment to be able to successfully apply to a call via electronic submission of application

Limited access to bank guarantee or an equivalent type of guarantee as a precondition for advance payments

Conflict of interest (as an example: land and/or facilities being purchased from close family relations)

The administrative system does not include adequate checks of beneficiaries’ payment requests; or the administrative procedure was not recorded well enough to ensure that all checks had been made

Non-eligible VAT was approved as eligible cost

Beneficiaries failed to meet the deadline to implement their investment project

Risk of a cessation or relocation of a productive activity

Risk of a change in ownership of an item of infrastructure which gives to a firm or a public body an undue advantage

Risk of a substantial change affecting its nature, objectives or implementation conditions which would result in undermining its original objectives

Risk of deadweight and/or displacement

Risk of inappropriate selection of beneficiaries due to complex, expensive or long application procedures so that only those who least need the aid can afford the effort of submitting a successful application

Risk of double financing where similar or identical investment measures can be supported under the CAP's first pillar or under any other source of public money

Risks related to support for investments not covered by Annex I to the Treaty

Unreasonably high costs are approved as eligible.

8.2.4.4.2. Mitigating actions

Compliance with public procurement rules will be checked on sample basis by the PA (Public procurement service). Provision of specific tailored guidance and training on public procurement at sub-measure level under technical assistance is envisaged

Timely information for beneficiaries of indicative planning for the publication of calls through various communication channels. Electronic submission of application is envisaged decreasing the administrative burden. Other e-government solutions and automatic or manual cross-checks with on-line Registers and databases maintained by other institutions will be introduced subject to technical pre-conditions

Technical assistance related to electronic submission of application (AGRONET) is envisaged, provided via various institutions (Advisory Service, Agricultural Agency etc.) to all interested beneficiaries who do not have the knowledge and/or equipment to electronically apply and submit documentation for a call

Advanced payment could be approved only if sufficient financial guaranty (or equivalent) is
provided. The PA has already established a register of guarantees. Clear information will be
provided on the calls and obligations to assist beneficiaries in accessing credit facilities

- Where potential conflict of interest is possible, Beneficiary shall provide sworn statements that it
  is avoided in the implementation of selected operation. Specific information shall be provided on
  this aspect. In case of serious mistrust, data from relevant institutions will be cross-checked, and
  where fraudulent behaviour is suspected the appropriate measures be taken as with all ESI funds

- All needed checks of beneficiaries’ payment requests are prescribed in written procedures of the
  PA and each official responsible for authorisation shall have a detailed checklist of the
  verifications. This includes the supporting documents of the claim and sufficiently detailed audit
  trail that those checks have been performed. This may be made by electronic means or paper
  based. Additionally, there shall be evidence of a review by another staff member if related to
  authorisation of payment. This review can be performed on a sample basis and on only critical
  eligibility checks depending on the nature of the related specific risk identified in control system
  set-up

- Eligibility of VAT will be a regular check during operation selection (approval) and during
  payment requests approval by the PA. It is a standard check included in the detailed check-list for
  authorisation of payments

- All conditions and requirements that the beneficiary has to follow during the implementation of
  the selected operation will be prescribed in Operation approval decisions issued by PA.
  Information activities like info days, electronic communication tools, help-desk etc. are foreseen
  in order to mitigate risks related to a beneficiary’s failure to meet the implementation conditions

- The sustainability of proposed operations by beneficiary is evaluated and appropriate selection
  criteria envisaged

- Ex-post on-the-spot control on a sample basis is envisaged in five-year period after the completion
  of operation and payment execution

- All implementation conditions are part of the Operation approval decisions issued by the PA that
  is legally binding for both the Beneficiary and PA. In case the original objectives are undermined
  and payment already executed it will be treated as undue payment and a debt recovery procedure
  started

- Risk of deadweight and/or displacement can be significantly mitigated by determination and
  application of appropriate selection criteria following verification of eligibility criteria

- Procedures for application submission shall be simplified especially regarding requesting
  unnecessary proofs which are accessible in e-governance database, and especially those
  maintained by the PA itself. Business plans will be used only where prescribed by Regulation.
  Otherwise, procedures should be simple, accessible and affordable for all beneficiaries so there
  will not be unfair treatment of beneficiaries without the appropriate capacity to follow excessive
  conditions

- Upgraded database interoperability at public administration level in order to avoid double
  financing of the same eligible costs

- In case of investments not covered by Annex I, state aid rules will be applied if such operations
  are eligible

- Evaluation of reasonableness of real costs either through use of reference costs
  (minimum/maximum parameters), the comparison of different offers or using an evaluation
committee, depending on the sub-measure and typology of cost

8.2.4.4.3. Overall assessment of the measure

Due to complexity and broad range of activities that can be implemented under this measure there are significant risks that should be properly mitigated. However, the mitigating actions identified are feasible and the measure can be implemented as soon as the Paying Agency sets up the control system for implementation of this measure according to accreditation criteria.

8.2.4.5. Methodology for calculation of the amount or support rate, where relevant

Not applicable to this measure.

8.2.4.6. Information specific to the measure

List of new requirements imposed by Union legislation for complying with which support may be granted under Article 17(6) of Regulation (EU) No 1305/2013


- until 31st December 2018 in agglomerations bigger than 15000 ES
- until 31st December 2020 in agglomerations bigger than 10 000 ES
- until 31st December 2023 in agglomerations bigger than 2000 ES

COUNCIL DIRECTIVE 98/83/EC of 3 November 1998 on the quality of water intended for human consumption

- Annex I, part A, part C – until 01st January 2019

COUNCIL REGULATION (EC) No 1099/2009 of 24 September 2009 on the protection of animals at the time of killing

- Until 08th December 2019. Article 14, paragraph 1 refers only for new slaughterhouses or new construction or equipment according to Annex II of this Regulation

Where relevant, the minimum standards for energy efficiency referred to in Article 13(c) of [DA RD – C(2014)1460]

According to Technical regulation on rational energy consumption and thermal protection in buildings.
Definition of non productive investments

- investment in building terraces;
- investment in building stonewalls and planting hedges;
- removing invasive alien species from agricultural land;
- procuring electric shepherds with related equipment and the indigenous shepherd dog (Tornjak);
- restoring habitats important for biodiversity preservation on agricultural land which was not maintained in accordance with good agricultural practice regarding the type of use;
- investment in the renovation of derelict ponds for livestock.

Definition of collective investments

Joint projects are those in which two or more beneficiaries of a measure/sub-measure are involved in a single project.

For collective investment, the maximum amount of public support may not exceed EUR 5 million.

Definition of integrated projects

Integrated projects are projects combining at least two operations falling under at least two different measures or sub-measures, including one under Article 17, provided that the same beneficiary is concerned and the implementation of operations together brings a better result than if they were done in separate way.

Integrated projects can be considered those which combine investments from:

a) sub-measure 4.1. and measure 3
b) sub-measure 4.1. and sub-measure 4.2.
c) sub-measure 4.1. and sub-measure 6.1.
d) sub-measure 4.1. and sub-measure 6.2.
When investing in an integrated project, the maximum amount of public support may not exceed EUR 5 million.

Definition and identification of the eligible Natura 2000 and other eligible High Nature Value Areas

Natura 2000 areas: Regulation on the Ecological Network (OG, 124/2013), designated areas important for birds and their habitats according to the Article 4 of the Birds Directive (SPA – Special Protection Areas), including adoption of the Ordinance prescribing the adequate conservation measures for SPAs. and proposed sites for protection of species and habitats of EU importance listed in Annex I (habitat types) and Annex II (species) of the Habitats Directive (pSCIs – proposed Sites of Community Importance) according to the procedure laid down in Article 4. The Organic Network, which is an integral part of the European Natura 2000 Network, is defined in the Regulation on Organic Network ("Official Gazette" No 124/13).

High nature value (HNV) farmland is based on data from the database on land cover CorineLandCover (CLC 2000), taking into account the distribution of areas important for biodiversity. Areas of selected CLC classes are combined with internationally and nationally important areas for biodiversity, including areas important for birds, areas important for butterflies and the ecological network Natura 2000 sites. As specificity of Croatia, HNV farmland also includes freshwater ponds of great natural value. 54.4% of the country is under HNV farmland (SINP[1], 2011).


Description of the targeting of the support to farms in accordance with the SWOT carried out in relation to the priority referred to in Article 5(2) of Regulation (EU) No 1305/2013

Despite the fact that Agriculture is historically important thus representing the most frequent economic activity of the population in rural areas, AH structure is not adequate to make them viable and competitive on the market. This is exacerbated by the unfavourable age structure which represents a further hurdle to the introduction of new techniques and technologies thus accepting the obligation to meet community standards, particularly those related to environment protection and usage of renewable sources of energy. However, a consolidated positive trend towards a more viable farm structure can be seen from the increase in the number of AHs in the categories of size 20-100 ha and even more of 100-750 ha and from an increasing awareness of potentials from high-quality value-added products (organic farming, integrated farming), not only limited to primary agricultural production but also forestry and food-processing and non-productive investments in maintaining biodiversity. The support to farms has been targeted in this measure in order to support the above-mentioned trend, which strongly addresses Priority 2, consequent to the SWOT analysis and identified Needs within the RDP.

8.2.4.7. Other important remarks relevant to understand and implement the measure

For operations under Sub-measure 4.2 - support for investments in processing/marketing and/or development of agricultural products, where beneficiaries at the time of application are agricultural
holdings not registered for processing or marketing and they are granted support under these types of operations, final payment and operation closure are conditional on due Registration of the holding or their facilities for the said activities in accordance with national law.
8.2.5. M05 - Restoring agricultural production potential damaged by natural disasters and catastrophic events and introduction of appropriate prevention actions (art 18)

8.2.5.1. Legal basis


8.2.5.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

The largest material damage in agriculture production caused by natural disasters has been recorded from drought, flood, fire and sudden occurrences of animal and plant diseases. Considering that these represent serious economic losses to a certain group of farmers and assume epidemic proportions and endanger human health, it is necessary to reduce their negative consequences.

A specific damage to agricultural potential is represented by the presence of mined and mine-suspected areas in parts of Croatia, where areas of agricultural land are not accessible. A type of operation is envisaged to restore agricultural potential in these areas (5.2 De-mining of agricultural land).

The objective of this measure is the restoration of agricultural production potential damaged by natural disasters and catastrophic events to ensure the sustainability of agricultural production and prevent the deterioration of agricultural holdings, thereby responding to Need 11.

Contribution to focus areas

The 2 types of operations under this measure contribute to priority 3 - promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture; focus area 3B - supporting farm risk prevention and management.

The measure contributes to risk management on agricultural holdings through the restoration of agricultural production potential damaged by natural disasters, adverse climate events and catastrophic events.

Contribution to cross-cutting objectives

This measure contributes to the realisation of the cross-cutting objective related to environmental
protection.

Environmental protection: Restoring of agricultural potential will prevent soil erosion and maintain biodiversity.

8.2.5.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regards to the setting of selection criteria

8.2.5.3.1. O_01: Restoration of agricultural land and production potential

Sub-measure:

- 5.2 - support for investments for the restoration of agricultural land and production potential damaged by natural disasters, adverse climatic events and catastrophic events

8.2.5.3.1.1. Description of the type of operation

Natural disaster cannot be predicted and its occurrence cannot be prevented, so it can cause significant economic losses in agricultural production. It is necessary to provide support to agricultural producers for the restoration of agricultural production potential damaged by natural disasters. Restoring damaged agricultural production potential will ensure production sustainability and prevent the deterioration of agricultural holdings.

8.2.5.3.1.2. Type of support

Support shall be awarded as a grant.

8.2.5.3.1.3. Links to other legislation

- Agriculture Act
- Act on Protection from Natural Disasters

8.2.5.3.1.4. Beneficiaries

Farmers or groups of farmers registered in the Register of Agricultural Holdings pursuant to the Agriculture Act.
8.2.5.3.1.5. Eligible costs

- investments linked to restoring of agricultural land;
- construction and/or reconstruction and/or equipment of farm buildings and related infrastructure for agricultural production;
- restoration or purchase of machinery and equipment for agricultural production;
- purchase of the basic herd of animals;
- purchase and planting of perennial plants;
- general costs: costs of architects, engineers and consultants, feasibility studies, costs for preparation of technical documentation and cost of court experts amounting up to 10% of the total eligible project expenditures.

The purchase of second hand equipment is eligible under this measure.

8.2.5.3.1.6. Eligibility conditions

The following eligibility conditions apply:

- formal recognition by the competent public authorities that a natural disaster has occurred and that this disaster or measures adopted in accordance with Council Directive 2000/29/EC to eradicate or contain a plant disease or pest has caused the destruction of at least 30% of the relevant agricultural potential.
- the natural disaster occurred after 01.01.2014.

No support under this measure shall be granted for loss of income resulting from the natural disaster or catastrophic event.

There shall be no overcompensation and double funding resulting from other EU or national instruments.

The assessment of the damage will be carried out at beneficial level by authorised bodies according to the Methodology for Damage Assessment from Natural Disasters prescribed in Law on Protection from Natural Disasters.

8.2.5.3.1.7. Principles with regards to the setting of selection criteria

Priority will be given to beneficiaries according to ranking criteria based on the proportion of damage to the production potential.

8.2.5.3.1.8. (Applicable) amounts and support rates

The intensity of the support amounts to 100% of eligible investment costs for operations to restore agricultural land and production potential damaged by natural disasters, adverse climate events and
catastrophic events.

Aid will be granted on the basis of real costs attested by invoices or other documents of probative value attesting payment.

8.2.5.3.1.9. Verifiability and controllability of the measures and/or types of operations

8.2.5.3.1.9.1. Risk(s) in the implementation of the measures

The main identified risks under this type of operation are related to:

1. The reasonableness of prices is not systematically checked; or the checks are inadequate, especially in the case of purchases of second-hand equipment and animals from private persons.
2. The invoices or other relevant documents as evidence of investment costs provided by the beneficiary do not enable costs to be checked for reasonableness, as they were not specific enough.
3. The complexity of procedures makes huge administrative burden and lead to over bureaucracy which can demotivate farmers to apply for investment support.
4. The beneficiary started a project before submitting an application resulting in non-eligible expenses.
5. Due to lack of information, beneficiaries can make errors in the following: filling in payment claims, documents to prove expenditure in claims for reimbursement are not provided, costs are unintentionally claimed twice, and items in payment claims differ from those found during on-the-spot checks and other similar mistakes which can lead to reduction of the payment.
6. Beneficiaries fail to meet the deadline to implement their investment project.
7. Risk of overcompensation or double financing where similar or identical investment measures can be supported under the CAP's first pillar, especially in the fruit & vegetables and wine sectors.
8. Risk of overcompensation as a result of the combination of this measure and other national or Union support instruments or private insurance schemes.
9. Real costs are difficult to verify or costs are unreasonable.
10. Overestimation of the relevant agricultural potential.

8.2.5.3.1.9.2. Mitigating actions

The mitigating actions are defined on measure level.

8.2.5.3.1.9.3. Overall assessment of the measure

This type of operation is verifiable and controllable.
8.2.5.3.1.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.5.3.1.11. Information specific to the operation
8.2.5.3.2. O_02: De-mining of agricultural land

Sub-measure:

- 5.2 - support for investments for the restoration of agricultural land and production potential damaged by natural disasters, adverse climatic events and catastrophic events

8.2.5.3.2.1. Description of the type of operation

De-mining of agricultural land is foreseen as stand-alone type of operation due to implementation particularities related to the specific type of activities. Since it is not reasonable and cost-effective that farmers themselves undertake such operations, the involvement of regional self-government units (counties) as Beneficiaries in terms of implementation is envisaged. However, this intervention is targeted to farmers who will have at their disposal additional agricultural land for production potential and to set up the pre-conditions for the allocation of payment entitlements from the de-mining reserve under 1st CAP pillar. The de-mining reserve is an instrument set by the Act of Accession of 2011, for a period of ten years after accession to the Union. De-mining of agricultural land under this type of operations and the allocation of payment entitlements from special reserve to land which is de-mined and returned to agricultural use every year will contribute to the Europe 2020 Strategy by promoting sustainable rural development throughout the Union in a manner that complements the other instruments of the CAP.

8.2.5.3.2.2. Type of support

Support will be awarded as a grant.

8.2.5.3.2.3. Links to other legislation

National law on humanitarian demining

8.2.5.3.2.4. Beneficiaries

The beneficiaries of this type of operation are Regional self-government units (Counties) located in the mine suspected areas.

8.2.5.3.2.5. Eligible costs

Eligible costs under this type of operation are:

- general costs for preparation of technical documentation and
- costs of de-mining activities (clearance of mines from mine suspected and/or mine contaminated
8.2.5.3.2.6. Eligibility conditions

The following eligibility conditions apply:

- formal recognition by the competent national public authority that area is under mine contamination;
- a direct link between the de-mining activities and agricultural production potential is clearly established.
- only de-mining of agricultural land and directly-related infrastructure like agricultural land pathways, dikes, drainage systems, terraces, stonewalls, landscape features, and similar are eligible for financing if they are integral part of undermined agricultural land in question and mine pollution of these would negatively affect agricultural potential.
- Clearance of mines refers strictly on the amount declared within the contract that the CROMAC (Croatian Mine Action Centre) signs with the private demining company following the public tender. More specifically the cost refers to:
  - Checking of the mine suspected and mine contaminated area (used methods: demining machine, human deminer with the metal detector and a prod, deminer dog)
  - Removal of mine or other Unexploded ordnance (UXO)
  - Destroying of the cleared mines or other UXO
  - Costs of health workers (unit for emergency intervention in case of incidents) Cost of the marking signs during demining works (demarcation of the potentially dangerous area during demining activities).

Ineligible costs:

- Costs concerning with the planning of demining project, check and control of works, data collecting and publishing information, release of certificate of "demined area" etc.. are not included in the allocation for this measure. These costs are sustained by the CROMAC from its budget.
- VAT

8.2.5.3.2.7. Principles with regards to the setting of selection criteria

Selection criteria will be prescribed by the Ordinance. Investment projects that will have greater impact for demining agricultural area and restoring competitiveness will be prioritised for support.

The following principles will be taken into account:

- Scope of the operation in terms of economy of scale and cost-effectiveness and
• number of farmers (target group) that can benefit from the demining operation.

8.2.5.3.2.8. (Applicable) amounts and support rates

The intensity of the support amounts to 100% of eligible costs.

8.2.5.3.2.9. Verifiability and controllability of the measures and/or types of operations

8.2.5.3.2.9.1. Risk(s) in the implementation of the measures

The main identified risks under this type of operation are related to:

• public procurement procedures not properly implemented
• area eligibility for de-mining
• reasonableness and effectiveness of costs
• proper application of selection criteria
• particularities regarding the performance of some administrative and on-the-spot checks.

8.2.5.3.2.9.2. Mitigating actions

The mitigating actions are:

• Compliance with public procurement rules will be checked on sample basis by the Paying Agency (Public procurement service). Provision of specific tailored guidance and training on public procurement for particularities of this type of operation is envisaged by Managing authority in cooperation with Croatian Mine Action Centre.
• Area eligibility for de-mining will be checked through LPIS (ARKOD) and the CROMAC Mine-information system portal.
• Reasonableness and effectiveness of costs will be checked by Paying Agency using technical expertise provided by Croatian mine action centre as a technical support service. However, this risk should be minimal due to public procurement tenders and sufficient number of specialised companies with licences for de-mining activities to ensure competition.
• Size of agriculture area and number of farmers that could benefit from demining could be cross-checked through LPIS (ARKOD) and Farm register.
• The Paying Agency is responsible for checks related to the authorisation of payment. However, technical expertise provided by the Croatian Mine Action Centre could be used as a technical support service if needed. Managing authority, Paying agency and Croatian Mine Action Centre will sign an Agreement on the implementation of this type of operation where all the respective duties and responsibilities will be prescribed in detail before implementation starts.
8.2.5.3.2.9.3. Overall assessment of the measure

This type of operation is verifiable and controllable.

8.2.5.3.2.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.5.3.2.11. Information specific to the operation

8.2.5.4. Verifiability and controllability of the measures and/or types of operations

8.2.5.4.1. Risk(s) in the implementation of the measures

The risks are identified at the level of type of operation.

8.2.5.4.2. Mitigating actions

The mitigating actions are defined at the level of type of operation.

8.2.5.4.3. Overall assessment of the measure

Based on the appropriate mitigating actions indicated on level of the type of operations, the measure is controllable and verifiable.

8.2.5.5. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.5.6. Information specific to the measure

8.2.5.7. Other important remarks relevant to understand and implement the measure

For simplification of implementation, the beneficiaries of the type of operation De-mining of agricultural land (in terms of reception of funds) are self-government units (counties) in mine suspected areas (Brod-Posavina, Dubrovnik_Neretva, Karlovac, Lika-Senj, Osijek-Baranja, Požega-Slavonia, Sisak-Moslavina,
Split-Dalmatia, Šibenik-Knin and Zadar counties. Final beneficiaries (in terms of outputs) are farmers.

Self-government units (counties) are obliged to perform public procurement procedures in order to choose the de-mining company which will perform the de-mining service. Upon completion of an operation, agriculture land has to be maintained in “good agricultural and environmental condition.”
8.2.6. M06 - Farm and business development (art 19)

8.2.6.1. Legal basis


8.2.6.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

As evidenced in the analysis, the structure of the agricultural economy in Croatia is unfavourable in comparison with other EU countries. The main reasons for this are the very high number of small agricultural holdings with weak economic sustainability and the significant migration trends of younger people from rural areas as a result of poor living and working conditions for young families, low employment opportunities due to lack of economic viability and the employment opportunities in urban centres.

The creation and development of new economic activities in the form of new farms, businesses or investments in non-agricultural activities are essential for the development and competitiveness of rural areas and to reverse the negative trend.

Furthermore, it is necessary to encourage the development of small farms which are potentially economically sustainable. Diversification into non-agricultural activities contributes to the creation of new jobs as a response to the slowdown of economic activity which rural areas are facing.

Support for young farmers as start-up aid will contribute to generational renewal in the agricultural economy and help to reverse the migration trend, especially among young people.

The measure responds to Needs 05, 06 and 23.

Contribution to focus areas

The measure serves multiple objectives and can contribute to various rural development priorities and focus areas.

Priority 2: Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests, with a focus on the
following areas:

Focus area 2A: Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increase market participation and enhance market orientation as well as agricultural diversification.

Type of operations:

Start–up aid for the development of small farms

The survival and development of small agricultural holdings is based on the need to restructure and increase added value.

Focus area 2B: Facilitating the entry of adequately skilled farmers into the agricultural sector and, in particular, generational renewal.

Type of operations:

Support for young farmers

Priority 6: Promoting social inclusion, poverty reduction and economic development in rural areas, with emphasis on the following areas:

Focus area 6A: Facilitating diversification, creation and development of small enterprises, as well as job creation.

Types of operation:

Development of existing non-agricultural activities in rural areas

Support for investments in establishing non-agricultural activities

Since more and more family farms can no longer operate in an economically viable manner based solely on primary agricultural production and without additional revenue at the farm, the objective of sub-measure 6.2 is to create an alternative for the underused labour force by providing employment on farms in non-agricultural activities and services. Support for investments in the development of non-agricultural activities through sub-measure 6.4 helps increase economic activities in rural areas, maintain and create new jobs, and increase the revenue of business entities.

Contribution to cross-cutting objectives

This measure contributes to the realisation of cross-cutting objectives related to climate change adaptation and mitigation and innovation.

Climate change adaptation and mitigation - some activities within the framework of this measure are aimed at investments related to increasing energy efficiency from the use of renewable sources of energy. Promoting such activities is important from the perspective of gradual substitution of fossil fuels, which are sources of greenhouse gas emissions and in particular carbon dioxide. Support within the framework of this measure will help design investments in energy efficiency, climate change mitigation and
adaptation to such changes, especially in the context of investments in restructuring holdings aided by start-up support for young farmers.

Innovation - fostering new entrants will contribute to the generational renewal of the agricultural sector creating a more fertile environment for innovation. Fostering non-agricultural activities in rural areas may create a favourable environment for diversification into, for example, eco-social innovations, as non-agricultural activities can have a strong innovative charge.

8.2.6.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regards to the setting of selection criteria

8.2.6.3.1. O_01: Support for young farmers

Sub-measure:

• 6.1 - business start up aid for young farmers

8.2.6.3.1.1. Description of the type of operation

As evidenced by the SWOT analysis the majority of farmers and workers in the agricultural sector are elderly, with only primary level education and no vocational training. The aim of this type of operation is to foster the development of a renewed and innovative agricultural sector. Young people need to be motivated to live and work in the countryside, creating jobs for themselves and their families. This operation contributes to focus area 2B, the generational renewal of agricultural holdings, directly responding to Need 5, which will contribute to the sustainable development and provide an overall increase in the social and economic vitality of rural areas, a prerequisite for increasing productivity in agriculture and the faster development of holdings.

8.2.6.3.1.2. Type of support

Start – up aid for young farmers.

8.2.6.3.1.3. Links to other legislation

Agriculture Act and subsequent implementing acts.

8.2.6.3.1.4. Beneficiaries

Persons who are older than 18 and younger than 40 years of age at the time of submission of the application, who possess the appropriate professional skills and knowledge of agriculture, and who are
establishing an agricultural holding for the first time as holders of an agricultural holding.

8.2.6.3.1.5. Eligible costs

Eligible expenditures must be in accordance with the business plan submitted by the beneficiary which must specify how the investment shall ensure the holding's sustainable growth and development. All agricultural production activities in accordance with the Agriculture Act are eligible within the framework of this support. Start–up aid for young farmers may include the purchase of livestock, physical assets and machinery, the purchase or leasing of agricultural land, the improvement of existing farm buildings etc, to facilitate the implementation of the business plan and are linked to the supported activity.

8.2.6.3.1.6. Eligibility conditions

The eligibility conditions are:

- the beneficiary is setting up for the first time an agricultural holding as sole head of the agricultural holding;

- The agricultural holding is in the category between 3 and 7 in terms of economic size (EUR 4.000 – 100.000 total value of production per year);

- the submission of a business plan.

Support to a beneficiary under this measure can be granted only once in the whole programming period 2014-2020.

8.2.6.3.1.7. Principles with regards to the setting of selection criteria

The selection criteria for the eligible operations will be laid down in the Ordinance based on the following principles:

- education of the applicant,
- investment in priority sectors as evidenced by the SWOT,
- the location of the operation according to the Regional Development Index,
- the location of the operation in areas facing natural and other specific constraints,
- the applicant will take up organic agriculture or agri-environmental measures.

Only operations reaching a minimal threshold shall be funded.
### 8.2.6.3.1.8. (Applicable) amounts and support rates

**Level of support:**

- the minimum value of public support per beneficiary shall be EUR 3,500;
- the maximum value of public support per beneficiary shall be EUR 70,000.

Support shall be paid in at least two instalments, over a period which does not exceed five years.

### 8.2.6.3.1.9. Verifiability and controllability of the measures and/or types of operations

#### 8.2.6.3.1.9.1. Risk(s) in the implementation of the measures

The risks are defined at measure level.

#### 8.2.6.3.1.9.2. Mitigating actions

The mitigating actions are defined at measure level.

#### 8.2.6.3.1.9.3. Overall assessment of the measure

This type of operation is verifiable and controllable.

### 8.2.6.3.1.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

### 8.2.6.3.1.11. Information specific to the operation

**Definition of small farm referred to in Article 19(1)(a)(iii) of Regulation (EU) No 1305/2013**

Not applicable.

**Definition of upper and lower thresholds as foreseen in Article 19(4) of Regulation (EU) No 1305/2013**

The lower threshold for support for young farmers is higher than the upper threshold for support for small farms.

Small agricultural holdings in Croatia are defined as agricultural holdings in categories b 1 and 2 of
economic size (EUR 1,000 – 4,000 of total value of production per year).

Young farmers refer to an agricultural holding in categories between 3 and 7 of economic size (EUR 4,000 – 100,000 total value of production per year).

Specific conditions for support for young farmers where not setting up as a sole head of the holding in accordance with Article 2(1) and (2) of [DA RD – C(2014)1460]

Not applicable.

Information on the application of the grace period referred to in Article 2(3) of [DA RD – C(2014)1460]

A grace period, not exceeding 36 months from the date of the individual decision granting support, shall be allowed to the beneficiary, in order to meet the conditions relating to the acquisition of the occupational skills specified in the rural development programme.

Young farmers who do not have a specific secondary school qualification or tertiary level qualification in agriculture (a formal vocational qualification, relevant degree) are required to complete a medium-term training course under Measure 1 – Sub-Measure 1.1 - support for vocational training and skills acquisition actions – Type of Operation Vocational training for young farmers. Young farmers may also benefit from Measure 2 – Sub-Measure 2.1 - support to help benefiting from the use of advisory services – Type of Operation Advice on modernizing and increasing the competitiveness of the agricultural holdings.

Summary of the requirements of the business plan

The business plan for the start-up aid to young farmers will be prescribed in the Ordinance on the implementation of the measure. It shall describe:

(i) the initial situation of the agricultural holding;

(ii) milestones and targets for the development of the activities of the agricultural holding,

(iii) details of the actions, including those related to environmental sustainability and resource efficiency, required for the development of the activities of the agricultural holding, such as investments, training, advice.

Use of the possibility to combine different measures through the business plan giving access of the young farmer to these measures

Not applicable.
<table>
<thead>
<tr>
<th>Domains of diversification covered</th>
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<tbody>
<tr>
<td>Not applicable.</td>
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</table>
8.2.6.3.2. O_02: Support for investments in establishing non-agricultural activities

Sub-measure:

- 6.2 - business start up aid for non-agricultural activities in rural areas

8.2.6.3.2.1. Description of the type of operation

The current level of agricultural production does not enable the maintenance of existing employment or the creation of new jobs in order to maintain the rural population and foster sustainable development of rural areas. Since an increasing number of agricultural holdings can no longer be economically viable when engaged only in primary agricultural production without having additional income in the farm economy, the goal of this operation is to create an alternative for the unused and underused labour force to find employment in non-farm activities and services. This will contribute to Focus Area 6A and responds to Need 23.

Investment under this type of operation shall refer to:

- rural tourism activities;
- the processing, marketing and direct sale of local products;
- traditional crafts, handicrafts;
- the provision of services in rural areas and for the agricultural and forestry sector.

8.2.6.3.2.2. Type of support

Support shall be awarded as a grant.

8.2.6.3.2.3. Links to other legislation

- Act on Agriculture
- Act on Tourism
- Act on Trade
- Act on Crafts

8.2.6.3.2.4. Beneficiaries

The beneficiary within this type of operation are agricultural holdings registered in the Register of Agricultural Holdings pursuant to the Agriculture Act in range of micro and small enterprise According to Regulation: farmers or members of a farm household who diversify into non-agricultural activities and to micro and small enterprises and natural persons in rural areas.
8.2.6.3.2.5. Eligible costs

The following costs are eligible in accordance with the business plan submitted by the beneficiary:

- the construction or improvement of immovable property;
- the purchase of new machinery and equipment, including computer software, up to the market value of the property;
- general costs up to a ceiling of 10% of the total project expenditures.

8.2.6.3.2.6. Eligibility conditions

- The start-up business is located in the rural area;
- The beneficiary is required to submit a business plan;
- Support to the beneficiary under this type of operation can be granted only once in programming period 2014-2020.

8.2.6.3.2.7. Principles with regards to the setting of selection criteria

The selection criteria for the eligible operations will be laid down in the Ordinance based on the following principles:

- education of the applicant,
- investment in priority sectors as evidenced by the SWOT,
- the location of the operation according to the Regional Development Index,
- the location of the operation in areas facing natural and other specific constraints,
- applicant involved in organic agriculture or agri-environmental measures.

Only operations reaching a minimal threshold shall be funded.

8.2.6.3.2.8. (Applicable) amounts and support rates

Level of support:

- the minimum value of public support per beneficiary shall be EUR 3,500;
- the maximum value of public support per beneficiary shall be EUR 70,000.
Support shall be paid in at least two instalments, over a period which does not exceed five years.

8.2.6.3.2.9. Verifiability and controllability of the measures and/or types of operations

8.2.6.3.2.9.1. Risk(s) in the implementation of the measures

The risks are defined at measure level.

8.2.6.3.2.9.2. Mitigating actions

The mitigating actions are defined at measure level.

8.2.6.3.2.9.3. Overall assessment of the measure

This type of operation is verifiable and controllable.

8.2.6.3.2.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.6.3.2.11. Information specific to the operation

Definition of small farm referred to in Article 19(1)(a)(iii) of Regulation (EU) No 1305/2013

Not applicable.

Definition of upper and lower thresholds as foreseen in Article 19(4) of Regulation (EU) No 1305/2013

Not applicable.

Specific conditions for support for young farmers where not setting up as a sole head of the holding in accordance with Article 2(1) and (2) of [DA RD – C(2014)1460]

Not applicable.

Information on the application of the grace period referred to in Article 2(3) of [DA RD – C(2014)1460]
Summary of the requirements of the business plan

The business plan for start-up aid for non-agricultural activities in rural areas will be prescribed in the Ordinance on the implementation of the measure.

It shall describe:

- the initial economic situation of the person or micro- or small- enterprise applying for support,
- milestones and targets for the development of the new activities of the person or agricultural holding or of the micro- or small- enterprise,
- details of the actions required for the development of the activities of the person or agricultural holding or micro- or small- enterprise, such as details of investments, training, advice.

Use of the possibility to combine different measures through the business plan giving access of the young farmer to these measures

Not applicable.

Domains of diversification covered

- rural tourism activities
- processing marketing and direct sale of local products;
- traditional crafts, handicrafts;

The provision of services in rural areas and for the agricultural and forestry sector shall include indicatively IT centres, agriculture and forest machinery repair shops, kindergartens, play centres for children, sports and recreation centres for youth and adults, veterinary services, providing supply services for the population of rural areas, care services for the elderly and the infirm, etc.).
8.2.6.3.3. O_03: Start-up aid for the development of small farms

Sub-measure:

- 6.3 - business start up aid for the development of small farms

8.2.6.3.3.1. Description of the type of operation

The survival and development of small holdings is based on the need for restructuring and increasing added value. This type of operation shall provide support to small, potentially sustainable farms which are oriented towards market production in accordance with market requirements, but which lack the basic resources. This will help such holdings in their transition towards market oriented production become commercially viable, which is a precondition for achieving competitiveness in the agriculture sector. This type of operation contributes to focus area 2A and responds directly to Need 6.

8.2.6.3.3.2. Type of support

Support shall be awarded as a grant.

8.2.6.3.3.3. Links to other legislation

Agriculture Act and subsequent implementing acts.

8.2.6.3.3.4. Beneficiaries

The beneficiaries of this support are small agricultural holdings registered in the Register of agriculture holdings.

8.2.6.3.3.5. Eligible costs

All agricultural production activities in accordance with the Agriculture Act are eligible within the framework of this support. Eligible expenditures must be in accordance with the business plan submitted by the beneficiary and such plan must specify how the investment shall ensure the holding’s sustainable growth and development.

8.2.6.3.3.6. Eligibility conditions

Support can be granted to a beneficiary whose agricultural holding is in categories 1 and 2 of economic size (1 000 - 4.000 € of total value of production per year).
Support is conditional on the presentation of a business plan.

8.2.6.3.7. Principles with regards to the setting of selection criteria

The selection criteria for the eligible operations will be laid down in the Ordinance based on the following principles:

- education of the applicant,
- investment in priority sectors as evidenced by the SWOT,
- the location of the operation according to the Regional Development Index,
- the location of the project in areas facing natural and other specific constraints,
- applicant involved in organic agriculture or agri-environmental measures.

Only operations reaching a minimal threshold shall be funded.

8.2.6.3.8. (Applicable) amounts and support rates

The level of support shall be determined by the business plan:

- the minimum value of public support per beneficiary shall be EUR 3,500;
- the maximum value of public support per beneficiary shall be EUR 15,000.

8.2.6.3.9. Verifiability and controllability of the measures and/or types of operations

8.2.6.3.9.1. Risk(s) in the implementation of the measures

The risks are defined at measure level.

8.2.6.3.9.2. Mitigating actions

The mitigating actions are defined at measure level.

8.2.6.3.9.3. Overall assessment of the measure

This type of operation is verifiable and controllable.
8.2.6.3.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.6.3.11. Information specific to the operation

Definition of small farm referred to in Article 19(1)(a)(iii) of Regulation (EU) No 1305/2013

An agricultural holding in categories 1 and 2 of economic size (EUR 1.000 - 4.000 of total value of production per year).

Definition of upper and lower thresholds as foreseen in Article 19(4) of Regulation (EU) No 1305/2013

The lower threshold for support for young farmers is higher than the upper threshold for support for small farms.

Small agricultural holdings in Croatia are defined as agricultural holdings in categories b 1 and 2 of economic size (EUR 1.000 - 4.000 of total value of production per year).

Young farmers refer to an agricultural holding in categories between 3 and 7 of economic size (EUR 4.000 – 100.000 total value of production per year).

Specific conditions for support for young farmers where not setting up as a sole head of the holding in accordance with Article 2(1) and (2) of [DA RD – C(2014)1460]

Not applicable.

Information on the application of the grace period referred to in Article 2(3) of [DA RD – C(2014)1460]

Not applicable.

Summary of the requirements of the business plan

The business plan for the development of small farms will be prescribed in the Ordinance on the implementation of the measure. It shall describe:

i. the initial situation of the agricultural holding,

ii. details of the actions, including those related to environmental sustainability and resource efficiency, that could support the achievement of economic viability, such as investments, training, co-operation.
Use of the possibility to combine different measures through the business plan giving access of the young farmer to these measures

<table>
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<tr>
<th><strong>Not applicable.</strong></th>
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Domains of diversification covered

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8.2.6.3.4. O_04: Development of existing non-agricultural activities in rural areas

Sub-measure:

- 6.4 - support for investments in creation and development of non-agricultural activities

8.2.6.3.4.1. Description of the type of operation

Support for investments in the development of existing non-agricultural activities shall contribute to the improvement in economic activity in rural areas, maintain and create new jobs and increase the income of business entities. The aim is to encourage the diversification of economic activity that will attract people to live and work in rural areas. This type of operation contributes to Focus Area 6A and responds directly to Need 23.

Investments under this type of operation shall refer to:

- rural tourism activities;
- processing marketing and direct sale of local products;
- traditional crafts, handicrafts;
- the provision of services in rural areas and for the agricultural and forestry sector.

8.2.6.3.4.2. Type of support

Support shall be awarded as a grant.

8.2.6.3.4.3. Links to other legislation

Act on Tourism
Act of Trade
Act on Crafts

8.2.6.3.4.4. Beneficiaries

The beneficiaries within the framework of this sub-measure are registered micro and small business entities involved in non-agricultural activities situated in the rural territory.
8.2.6.3.4.5. Eligible costs

Eligible costs include:

- the construction or improvement of immovable property;
- the purchase of new machinery and equipment, including computer software, up to the market value of the property;
- general costs up to a ceiling of 10% of the total project expenditures.

8.2.6.3.4.6. Eligibility conditions

- The planned non-agricultural activities have to be situated in the rural area;
- The beneficiary must be registered in accordance with national legislation for the specific activities relating to the planned eligible investments.

Concerning investments in processing/marketing and direct sales, products listed in Annex I and those not listed in Annex I are eligible as input to the processing/marketing process if the output of the processing/marketing process is a product not listed in Annex I to the Treaty on the Functioning of the EU.

8.2.6.3.4.7. Principles with regards to the setting of selection criteria

The selection criteria for eligible operations will be laid down in the ordinance based on the following principles:

- the location of the operation according to the Regional Development Index,
- number of jobs created/maintained,
- environmental criteria.

8.2.6.3.4.8. (Applicable) amounts and support rates

Intensity of the support amounts to 70 % of eligible costs.

Level of support

- minimum value of public support per investment shall be EUR 3,500;
- maximum value of public support per beneficiary shall be EUR 200,000

Support is granted under the “de minimis” rule.
8.2.6.3.4.9. Verifiability and controllability of the measures and/or types of operations

8.2.6.3.4.9.1. Risk(s) in the implementation of the measures

The risks are defined at measure level.

A further risk specific to this type of operation is that the de minimis rule may not be respected.

8.2.6.3.4.9.2. Mitigating actions

The mitigating actions are defined at measure level.

The specific mitigating action shall be the cross-check at national level through the State Aid agency which registers de-minimis support to SMEs.

8.2.6.3.4.9.3. Overall assessment of the measure

This type of operation is verifiable and controllable.

8.2.6.3.4.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.6.3.4.11. Information specific to the operation

Definition of small farm referred to in Article 19(1)(a)(iii) of Regulation (EU) No 1305/2013

Not applicable.

Definition of upper and lower thresholds as foreseen in Article 19(4) of Regulation (EU) No 1305/2013

Not applicable.

Specific conditions for support for young farmers where not setting up as a sole head of the holding in accordance with Article 2(1) and (2) of [DA RD – C(2014)1460]

Not applicable.

Information on the application of the grace period referred to in Article 2(3) of [DA RD – C(2014)1460]
Not applicable.

Summary of the requirements of the business plan

Not applicable.

Use of the possibility to combine different measures through the business plan giving access of the young farmer to these measures

Not applicable.

Domains of diversification covered

- rural tourism activities;
- processing marketing and direct sale of local products;
- traditional crafts, handicrafts;
- the provision of services in rural areas and for the agricultural and forestry sector shall include indicatively IT centres, agriculture and forest machinery repair shops, kindergartens, play centres for children, sports and recreation centres for youth and adults, veterinary services, providing supply services for the population of rural areas, care services for the elderly and the infirm, etc.).

8.2.6.4. Verifiability and controllability of the measures and/or types of operations

8.2.6.4.1. Risk(s) in the implementation of the measures

The main identified risks on measure M06 as follows:

- Incomplete achievement of the business plan and/or risk of unrealistic and unclear business plan based on unreliable data
- Abandonment of the activity within 5 years of the decision granting the aid
- Improper procurement procedures for goods and services by beneficiaries
- De minimis rule not respected (as relevant)
- The administrative system does not include adequate checks of beneficiaries’ payment requests; or the administrative procedure was not recorded well enough to ensure that all checks had been made.
- The beneficiary started a project before submitting an application.
• The beneficiary failed to meet the deadline to implement their investment project.
• Risk of artificial set-up of new young farmers (proforma transfer of "control over the holding")
• Risk of "zero thresholds" for young farmers

8.2.6.4.2. Mitigating actions

• Complete achievement of the business plan will be set as legal condition in Operation approval decision issued by the Paying Agency. Administrative control on all approved Business Plans to check their level of achievement is envisaged. Payment claims by beneficiary could be executed only after all checks related to complete achievement of the business plan are conducted and verified. As a preventive action, education and training of potential beneficiaries is envisaged, as well as on-going guidance during the implementation of business plan.

• Selection of beneficiaries by applying appropriate selection criteria which would guarantee certain sustainability of operations after five year period.

• Procurement procedures for goods and services by beneficiaries have to be checked by the Paying Agency. Certain level of transparency in procurement will be achieved by obligation of publishing call for bids.

• Respect of de-minims rule has to be part of standard authorisation checks by paying agency if state aid rules are applicable.

• All needed checks of beneficiaries’ payment requests has to be prescribed in written procedures of the Paying Agency and each official responsible for authorisation shall have at his disposal a detailed checklist of the verifications he is required to undertake. It includes the supporting documents of the claim and sufficiently detailed audit trail that those checks have been performed. That attestation may be made by electronic means or paper based. Additionally, there shall be evidence of review of the work by a other staff member if related to authorisation of payment. This review can be performed on sample base and on only critical eligibility checks depending on nature of related specific risk identified in control system set-up.

• All costs but general cost originated before submitting an application will be treated as ineligible by the Paying Agency. Specific checks will be done on date of cost appearance. This will also slightly mitigate risks related to deadweight.

• All conditions and requirements that beneficiary has to follow during implementation of selected operation will be prescribed in Operation approval decisions issued by paying agency. Information activities like info days, electronic communication tools, help-desk etc. are foreseen in order to mitigate risks related to beneficiary’s failure to meet implementation conditions.

• Selected young farmers will be on-the-spot controlled on sample basis in order to judge real control over the holding

• The Paying Agency has to check that all elements of the definition of young farmer including the setting up for the first time in an agricultural holding as a head of that holding have to be met at the moment of submission of an application for support. The Paying Agency has to check that applicant described the initial situation of the agricultural holding in business plan, which further eliminates any possibility for introduction of "zero thresholds" for young farmers.
8.2.6.4.3. Overall assessment of the measure

Implementation of sub-measures 6.2. and 6.4. in the 2014-2020 period can be successful due to the experience acquired through the implementation of the IPARD measure 302 "Diversification and development of rural economic activities".

Based on the appropriate mitigating actions indicated above, the measure is controllable and verifiable.

8.2.6.5. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.6.6. Information specific to the measure

Domains of diversification covered

- rural tourism activities
- processing marketing and direct sale of local products;
- traditional crafts, handicrafts;

The provision of services in rural areas and for the agricultural and forestry sector shall include indicatively IT centres, agriculture and forest machinery repair shops, kindergartens, play centres for children, sports and recreation centres for youth and adults, veterinary services, providing supply services for the population of rural areas, care services for the elderly and the infirm, etc.).

Summary of the requirements of the business plan

These are detailed in the specific types of operation in this Measure.

Information on the application of the grace period referred to in Article 2(3) of [DA RD – C(2014)1460]

Young farmers who do not have a specific secondary school qualification or tertiary level qualification in agriculture (a formal vocational qualification, relevant degree) are required to complete a medium-term training course under Measure 1 – Sub-Measure 1.1 - support for vocational training and skills acquisition actions – Type of Operation Vocational training for young farmers. Young farmers may also benefit from Measure 2 – Sub-Measure 2.1 - support to help benefiting from the use of advisory services – Type of Operation Advice on modernizing and increasing the competitiveness of the agricultural holdings.
Specific conditions for support for young farmers where not setting up as a sole head of the holding in accordance with Article 2(1) and (2) of [DA RD – C(2014)1460]

Not applicable.

Definition of small farm referred to in Article 19(1)(a)(iii) of Regulation (EU) No 1305/2013

Small agricultural holdings in Croatia are defined as agricultural holdings in categories 1 and 2 of economic size (up to EUR 4,000 of total value of production per year).

Definition of upper and lower thresholds as foreseen in Article 19(4) of Regulation (EU) No 1305/2013

The lower threshold for support for young farmers is higher than the upper threshold for support for small farms.

Small agricultural holdings in Croatia are defined as agricultural holdings in categories 1 and 2 of economic size (EUR 1,000 - 4,000 of total value of production per year).

Young farmers refer to an agricultural holding is in category between 3 and 7 of economic size (EUR 4,000 – 100,000 total value of production per year).

Use of the possibility to combine different measures through the business plan giving access of the young farmer to these measures

Not applicable.

8.2.6.7. Other important remarks relevant to understand and implement the measure

Demarcation with Article 17

Under Article 17, where support is provided for investments in the processing / marketing of the product, the output products shall refer to those listed in Annex I of the EU Treaty, or agricultural products. Aid for the establishment of trade in farm sales of agricultural products is granted only on the basis of Article 17 (1) (b) with the aid intensity maximum amount set out in Annex II Regulation 1305/2013. In case of the sale of non-agricultural products aid is granted under Article 19 (1) (a) ii or Article 19 (1) (b).

Where support is conditional on the submission of a business plan, the payment of the last instalment shall be conditional upon the correct implementation of the business plan.

In the case of start-up aid for young farmers, within a maximum of 18 months of the establishment of the holding, the beneficiary must fulfil the conditions of an active farmer as defined by Article 9 of Regulation (EU) No 1307/2013 of the European Parliament and of the Council of 17 December 2013 establishing rules for direct payments to farmers under support schemes within the framework of the
8.2.7. M07 - Basic services and village renewal in rural areas (art 20)

8.2.7.1. Legal basis


8.2.7.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

The rural area is characterized by a lag in economic development and underdeveloped supporting infrastructure, including the availability of services and assurance of living and working conditions which has led to the depopulation of rural areas and a lack of interest from young families to live and work in rural areas, despite the fact that Croatian rural areas are rich in natural, social and cultural heritage. The poor use of available resources is also the result of a lack of quality local planning and strategic documents. The reconstruction and construction of small infrastructure in rural areas creates preconditions for promoting socio-economic growth and halting the negative trend of depopulation in rural areas. By giving the support to local government units to create development plans, better implementation of other operations within this measure will be achieved in a coherent and consistent manner. Eligible operations should be conducted in accordance with the relevant planning and/or strategic documents of local governments in rural areas. The operations supported in the framework of "Basic services and village renewal in rural areas" will improve living conditions in rural communities, contributing towards the attractiveness of the villages and their development potential for other activities thus boosting growth and socio-economic sustainability, thereby directly addressing Need 25.

Specific types of operations will foster a more thriving and resilient rural economy and communities and help to meet the challenges specific to rural communities which suffer economic, geographic and demographic factors relating to distance, population scarcity, aging, social isolation and market structure that can impact on people’s lives. Distances from economic centres and essential services and limited local amenities create additional challenges. Investments through this measure aim to alleviate some of these difficulties particularly the lack of access to services and the provision of infrastructure, such as road access, water supply system, public spaces, development of leisure, cultural and sport amenities.

**Contribution to focus areas**

Priority 6: Promoting social inclusion, poverty reduction and economic development in rural areas
By supporting the investments in village renewal and development, the measure is aimed at improving the living conditions and thus, in particular tourism.

Focus area 6B: Fostering local development in rural areas

**Contribution to cross-cutting objectives**

This measure contributes to the realisation of cross-cutting objectives related to the environment and innovation.

Environmental protection - the framework of this measure will foster investments in local infrastructure which will help reduce environmental pollution and preserve the rural landscape.

Innovation - the support within the framework of this measure is intended for village renewal which, through new knowledge and an innovative approach to the organisation of basic services, should help in the preservation and development of rural areas.

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8.2.7.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regards to the setting of selection criteria

8.2.7.3.1. O_01: Drawing up and updating plans for the development of local government units

Sub-measure:

- 7.1 - support for drawing up and updating of plans for the development of municipalities and villages in rural areas and their basic services and of protection and management plans relating to N2000 sites and other areas of high nature value

8.2.7.3.1.1. Description of the type of operation

Support shall be granted for drawing up and/or updating strategic and planning documents directly related to the development of applicable areas.

8.2.7.3.1.2. Type of support

Support shall be awarded as a grant.

8.2.7.3.1.3. Links to other legislation

National legislation:

- Physical Planning Act
8.2.7.3.1.4. Beneficiaries

The beneficiaries within this type of operation are local self-government units up to 10,000 inhabitants.

8.2.7.3.1.5. Eligible costs

Expenditures directly linked to drawing up or updating the applicable strategic or planning documents directly related to applicable areas such as:

- cost of experts;
- public consultation activities;
- design and publication of the relevant document etc.

8.2.7.3.1.6. Eligibility conditions

A formal decision by the local self-government authorising the drawing-up or updating of the specific document.

8.2.7.3.1.7. Principles with regards to the setting of selection criteria

Operations will be selected on the basis of a call for proposals.

The selection criteria for the eligible operations will be laid down in the Ordinance based on the following principles:

- number of inhabitants;
- the location of the operation according to the Regional Development Index.

Only operations reaching a minimal threshold score shall be funded.

8.2.7.3.1.8. (Applicable) amounts and support rates

Intensity of the support amounts to 100% of total eligible expenditures.

Level of support:
8.2.7.3.1.9. Verifiability and controllability of the measures and/or types of operations

8.2.7.3.1.9.1. Risk(s) in the implementation of the measures

The risks are defined on measure level.

8.2.7.3.1.9.2. Mitigating actions

The mitigating actions are defined on measure level.

8.2.7.3.1.9.3. Overall assessment of the measure

This type of operation is verifiable and controllable.

8.2.7.3.1.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.7.3.1.11. Information specific to the operation

Definition of small scale infrastructure, including small scale tourism infrastructure as referred to in Article 20(1)(e) of Regulation (EU) No 1305/2013

Not applicable.

If applicable, specific derogation allowing to support bigger scale infrastructure for investments in broadband and renewable energy

Not applicable.

The minimum standards for energy efficiency referred to in Article 13(c) of [DA RD – C(2014)1460]

Not applicable.
Definition of the thresholds referred to in Article 13(e) of [DA RD – C(2014)1460]

Not applicable.
8.2.7.3.2. O_02: Construction and/or reconstruction of the water supply, sewerage system and waste water systems

Sub-measure:

- 7.2 - support for investments in the creation, improvement or expansion of all types of small scale infrastructure, including investments in renewable energy and energy saving

8.2.7.3.2.1. Description of the type of operation

Small-scale infrastructure for the construction and/or reconstruction of water supply systems, sewerage system and waste water systems for public use will be supported.

8.2.7.3.2.2. Type of support

Support shall be awarded as a grant.

8.2.7.3.2.3. Links to other legislation

National legislation:

- Physical Planning Act
- Building Act
- Act on Local and Regional (regional) self-government
- Environmental Protection Act
- Regional Development Act

8.2.7.3.2.4. Beneficiaries

The beneficiaries of this type of operation are:

- local self-government units,
- providers of public water supply services or public sewerage services.

8.2.7.3.2.5. Eligible costs

**Eligible expenditures**

a) construction and/or reconstruction of the water supply, sewerage system and waste water systems
b) purchase of equipment for the water supply, sewerage system and waste water systems, including computer software up to market value

c) general costs directly linked to the implementation of the project such as services of architects, engineers and consultants, feasibility studies, amounting up to 10 % of the total eligible project costs

8.2.7.3.2.6. Eligibility conditions

- The investment must be realized only in settlements with up to 2.000 inhabitants;
- The investment in water supply or sewerage infrastructure must be in conformity with the local planning;
- The applicant must guarantee the availability of the water supply network and/or treatment system and its maintenance and management for at least 5 years from the payment of the final instalment.

8.2.7.3.2.7. Principles with regards to the setting of selection criteria

Operations will be selected on the basis of a call for proposals.

The selection criteria for the eligible operations will be laid down in the Ordinance based on the following principles:

- number of inhabitants,
- the location of the operation according to the Regional Development Index.

Only operations reaching a minimal threshold score shall be funded.

8.2.7.3.2.8. (Applicable) amounts and support rates

Intensity of the support amounts to 100% of total eligible expenditures.

Level of support:

- minimum value of public support per investment (project) shall be EUR 30.000
- maximum value of public support per investment shall be EUR 1.000.000

8.2.7.3.2.9. Verifiability and controllability of the measures and/or types of operations

8.2.7.3.2.9.1. Risk(s) in the implementation of the measures

The risks are defined on measure level.
8.2.7.3.2.9.2. **Mitigating actions**

The mitigating actions are defined on measure level.

8.2.7.3.2.9.3. **Overall assessment of the measure**

This type of operation is verifiable and controllable.

8.2.7.3.2.10. **Methodology for calculation of the amount or support rate, where relevant**

Not applicable.

8.2.7.3.2.11. **Information specific to the operation**

**Definition of small scale infrastructure, including small scale tourism infrastructure as referred to in Article 20(1)(e) of Regulation (EU) No 1305/2013**

This is defined at measure level.

If applicable, specific derogation allowing to support bigger scale infrastructure for investments in broadband and renewable energy

Not applicable.

The minimum standards for energy efficiency referred to in Article 13(c) of [DA RD – C(2014)1460]

Not applicable.

Definition of the thresholds referred to in Article 13(e) of [DA RD – C(2014)1460]

Not applicable.
8.2.7.3.3. O_03: Investment in construction and/or reconstruction of unclassified roads

Sub-measure:

- 7.2 - support for investments in the creation, improvement or expansion of all types of small scale infrastructure, including investments in renewable energy and energy saving

8.2.7.3.3.1. Description of the type of operation

Support for investments in the construction and/or reconstruction of unclassified roads in rural areas.

8.2.7.3.3.2. Type of support

Support shall be awarded as a grant.

8.2.7.3.3.3. Links to other legislation

National legislation:

- Physical Planning Act
- Building Act
- Roads Act

8.2.7.3.3.4. Beneficiaries

The beneficiaries of this sub-measure are local self-government units up to 5,000 inhabitants.

8.2.7.3.3.5. Eligible costs

- expenditures for the construction and/or reconstruction of unclassified roads (road building, traffic signs, pedestrian zone, lighting, stops for public transport including bridges, sidewalks, and street lighting etc.);
- general expenditures directly linked to the operation, such as architects’, engineers’ and other consultation fees, feasibility studies, environmental impact assessment if applicable up to 10 % of the total eligible project costs.
8.2.7.3.3.6. Eligibility conditions

- The unclassified roads must be outlined in the relevant spatial planning documents;
- A formal Decision on unclassified roads must be approved by the local self-government units;
- Costs of construction and/or reconstruction of unclassified roads are acceptable in settlements up to 5,000 residents;
- The applicant must guarantee the maintenance of the investment in operational function for at least five years from the final payment.

8.2.7.3.3.7. Principles with regards to the setting of selection criteria

Operations will be selected on the basis of a call for proposals.

The selection criteria for the eligible operations will be laid down in the Ordinance based on the following principles:

- number of inhabitants,
- the location of the operation according to the Regional Development Index.

Only operations reaching a minimal threshold score shall be funded.

8.2.7.3.3.8. (Applicable) amounts and support rates

Intensity of the support amounts to 100% of total project expenditures.

**Level of support:**

- minimum value of public support per investment (project) shall be EUR 30.000;
- maximum value of public support per investment shall be EUR 1.000.000.

8.2.7.3.3.9. Verifiability and controllability of the measures and/or types of operations

8.2.7.3.3.9.1. Risk(s) in the implementation of the measures

The risks are defined on measure level.

8.2.7.3.3.9.2. Mitigating actions

The mitigating actions are defined on measure level.
8.2.7.3.9.3. Overall assessment of the measure

This type of operation is verifiable and controllable.

8.2.7.3.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.7.3.11. Information specific to the operation

Definition of small scale infrastructure, including small scale tourism infrastructure as referred to in Article 20(1)(e) of Regulation (EU) No 1305/2013

This is defined at measure level.

If applicable, specific derogation allowing to support bigger scale infrastructure for investments in broad band and renewable energy

Not applicable.

The minimum standards for energy efficiency referred to in Article 13(c) of [DA RD – C(2014)1460]

Not applicable.

Definition of the thresholds referred to in Article 13(e) of [DA RD – C(2014)1460]

Not applicable.
8.2.7.3.4. O_04: Investments in establishing, improving or expanding local basic services for the rural population

Sub-measure:

- 7.4 - support for investments in the setting-up, improvement or expansion of local basic services for the rural population including leisure and culture, and the related infrastructure

8.2.7.3.4.1. Description of the type of operation

Support for investments in the setting-up, improvement or expansion of local basic services for the rural population including leisure and culture, and the related infrastructure.

This includes the following:

- investments in the construction and/or reconstruction and/or equipping of facilities for sports and leisure activities, such as community centres, fire-fighting centres, hiking shelters, hunting lodges, cultural centres;

- investments in the construction and/or reconstruction and/or equipping playgrounds, sports facilities and supporting facilities, facilities for recreational fishing, recreational areas and bathing resorts, bike trails, thematic routes and parks etc.;

- investment in the construction and/or reconstruction and/or equipping of kindergartens;

- investment in public areas (public green areas, walking trails, open drainage canals, markets, parking lots, squares).

8.2.7.3.4.2. Type of support

Support shall be awarded as a grant.

8.2.7.3.4.3. Links to other legislation

National legislation:

- Physical Planning Act
- Building Act
- Association Act
- Sports Act
- Utility Management Act
- Act of Fire-fighting
8.2.7.3.4.4. Beneficiaries

- local self-government units;
- companies with a majority share ownership by local self-government units;
- public non-profit institutions established by local self-government units;
- associations/civil society organizations and religious organizations dealing with humanitarian and social sectors of particular interest to local residents;
- Local action groups (LAG).

8.2.7.3.4.5. Eligible costs

The following costs are eligible:

a) expenditures for the construction and/or reconstruction of leisure facilities (social, fire-fighting centres, hikers’ shelters, hunting lodges and the like), children's playgrounds, sports and recreational areas and facilities, facilities for recreational fishing, beaches, public green areas, hiking trails, bike trails, thematic routes, open drainage canals, markets, parking lots, etc.;

b) purchase of equipment for the leisure facilities (social, fire-fighting centres, hikers’ shelters, hunting lodges and the like), children's playgrounds, sports and recreational facilities, recreational areas and beaches, public green areas, footpaths, open drainage canals, markets, squares, parking lots, including IT hardware and software up to the market value of the facility;

c) general expenditures directly linked to the investment operation such as fees of architects, engineers and consultants, feasibility studies, environmental impact assessment if applicable, amounting up to 10% of the total eligible project costs.

8.2.7.3.4.6. Eligibility conditions

- The investment must be realized in localities up to 5,000 inhabitants;
- The investment must be outlined in the Local Development Strategy or be in full compliance with the relevant local strategies adopted;
- The applicant must guarantee the maintenance and the management of the investment for at least 5 years from the final payment.

8.2.7.3.4.7. Principles with regards to the setting of selection criteria

Operations will be selected on the basis of a call for proposals.

The selection criteria for the eligible operations will be laid down in the Ordinance based on the
following principles:

- number of inhabitants in the local self-government unit or the catchment area;
- the location of the operation according to the Regional Development Index.

Only operations reaching a minimal threshold score shall be funded.

8.2.7.3.4.8. (Applicable) amounts and support rates

Intensity of support amounts to 100% of eligible expenditures.

**Level of support:**

- minimum value of public support per operation is EUR 30,000;
- maximum value of public support per operation is EUR 1,000,000.

8.2.7.3.4.9. Verifiability and controllability of the measures and/or types of operations

8.2.7.3.4.9.1. Risk(s) in the implementation of the measures

The risks are defined on measure level.

8.2.7.3.4.9.2. Mitigating actions

The mitigated actions are defined on measure level.

8.2.7.3.4.9.3. Overall assessment of the measure

This type of operation is verifiable and controllable.

8.2.7.3.4.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.7.3.4.11. Information specific to the operation

Definition of small scale infrastructure, including small scale tourism infrastructure as referred to in Article 20(1)(e) of Regulation (EU) No 1305/2013
This is defined on measure level.

If applicable, specific derogation allowing to support bigger scale infrastructure for investments in broadband and renewable energy

Not applicable.

The minimum standards for energy efficiency referred to in Article 13(c) of [DA RD – C(2014)1460]

Not applicable.

Definition of the thresholds referred to in Article 13(e) of [DA RD – C(2014)1460]

Not applicable.

8.2.7.4. Verifiability and controllability of the measures and/or types of operations

8.2.7.4.1. Risk(s) in the implementation of the measures

The main identified risks in the implementation of the measure are related to:

• the correct application of public procurement rules;
• the problems related to property ownerships and other legal issues
• pre-financing of operations by the beneficiary;
• appropriate application of selection criteria due to high demands for financing;
• consistency of operations to be implemented with the relevant Local Development Strategy.

8.2.7.4.2. Mitigating actions

The mitigating actions are:

• Guidelines for tender documentation and training/assistance for beneficiaries in public procurement procedures.
• Property checks through relevant land registers.
• Financial capacity checks for beneficiaries.
• Following consultations with the Monitoring Committee, selection criteria will be defined in
measurable and transparent way in order to achieve smooth selection of operations to be financed

- Beneficiaries will have to prove link with the relevant Local Development Strategy in the application form. Assessment of relevance to local strategies will be conducted for each application.

### 8.2.7.4.3. Overall assessment of the measure

Based on the appropriate mitigating actions indicated above and given the successful implementation of IPARD measure 301 "Improvement and development of rural infrastructure", the implementation of this measure in the 2014-2020 period can be successful due to the experiences acquired through the implementation of the IPARD.

### 8.2.7.5. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

### 8.2.7.6. Information specific to the measure

If applicable, specific derogation allowing to support bigger scale infrastructure for investments in broadband and renewable energy

Not applicable.

Definition of the thresholds referred to in Article 13(e) of [DA RD – C(2014)1460]

Not applicable.

Definition of small scale infrastructure, including small scale tourism infrastructure as referred to in Article 20(1)(e) of Regulation (EU) No 1305/2013

Small infrastructure is defined as investment in local infrastructure where the value support by the investment does not exceed EUR 1,000,000, and only for investment in rural areas up to 5,000 or in the case of investment in the water supply and waste water system up to 2,000 inhabitants.

In the measure Basic services and village renewal in rural areas the restriction on investments (water and sewer) in settlements up to 2,000 inhabitants to delineate the investments which will be financed by the
ERDF and CF in accordance with the Partnership Agreement.

Specifications on the types of investments are given for each type of operation in the list of eligible costs.

The minimum standards for energy efficiency referred to in Article 13(c) of [DA RD – C(2014)1460] Not applicable.

### 8.2.7.7. Other important remarks relevant to understand and implement the measure

Concerning the type of operation Drawing up and updating plans for the development of local government units, the relevant document has to be adopted by the local self-government unit before the final payment.

As regards investments in infrastructure, only private roads are eligible under article 17; unclassified public roads shall be supported under this measure.

A clear mechanism shall be set up to avoid double funding of projects under this measure and sub-measure 19.2, also during the application process. Specific checks will be set up and guidance provided to LAGs.
8.2.8. M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)

8.2.8.1. Legal basis

Article 21(1d) and (1e), Article 25 and Article 26 of Regulation (EU) No 1305/2013 of the European Parliament and of the Council of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No 1698/2005


8.2.8.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

Forest ecosystems have become increasingly sensitive to biotic and abiotic factors, especially due to climate changes. Therefore, special care must be taken to preserve them and increase their resilience, environmental value and ecosystem services. The role of forests is not only an economic; their value is also represented by the ecosystem services they provide. The value of forest ecosystem services, especially in the karst area of Croatia, greatly exceeds the value of wood.

Coppice forests, shrubs, shrubbery, maquis and garigue are forms of degradation of forest stands and they cover 1,046,972 ha (Forest Management Area Plan [FMAP] 2006-2015, 2005), which amounts to 44% of forest areas in Croatia (Figure 7). Due to their structure, climate and habitat conditions, degraded forest stands are very sensitive, be it to forest fires, diseases and pests or to other abiotic and biotic factors. Given the large share and potential of these forests, in both the environmental and the economic sense, they should be restored through silvicultural works, or converted to high forests, in order to contribute to an increase of their resilience and environmental value as well as the improvement of their ecosystem services, including NATURA 2000 areas.

Due to bad management in the past, private forests have substantial forest areas which have lost their primary indigenous tree species (such as oak, ash, etc.) which form the main structural element of natural mixed forest stands. In order to improve forest stand structure, resilience, environmental and long-term economic value, such stands must be restored to their original condition or replaced with natural mixed stands of primary tree species.

A large share of degraded forest stands in private forests, especially coppice forests (278,554 ha) which make up 48% of private forests in the Republic of Croatia (Source: FMAP 2006-2015), require land preparation prior to being converted into high forests. The availability of cost-effective and environmentally friendly machines must be ensured for private forest holders, by means of which they can properly prepare the soil for planting forest tree species with the objective of converting coppice
Forests into high forests.

Forest cultures, due to their structure, are extremely sensitive to biotic and abiotic factors. They cover 70,021 ha (FMAP 2006-2015), which amounts to 3% of forests in the Republic of Croatia. Some of these forest cultures should be converted into mixed indigenous tree species forest stands. On the other hand, due to their structure, mixed forest stands are more resilient to biotic and abiotic factors than forest cultures, they have greater biodiversity and provide better ecosystem services.

In order to increase productivity and efficiency of wood production and pre-industrial wood processing[1], as well as protect and preserve forest ecosystems, in these times of ever growing demand for wood it is necessary to introduce new techniques and technologies as well as apply and develop innovations. Their introduction and application will sustainably increase the economic value of forests and the efficiency of the wood production and pre-industrial wood processing systems, which will help increase employment in the forestry sector, being one of the key sectors for the survival of the population in the rural areas of Croatia.

Since large areas of Croatia are forests and forest land, a substantial part of the population, especially in rural areas, is employed in the forestry sector. Due to the high purchase prices of machines, tools and equipment, private wood production contractors (326 licensed contractors, Source: Croatian Chamber of Forestry and Wood Technology Engineers [CCFWTE], 2013) and SMEs in pre-industrial wood processing (1,331, Source: CBS, 2013) often use machines, tools and procedures which are less than efficient, environmentally unfriendly, and hazardous for human health and the environment. The inadequate technological level of machines, tools and equipment used in wood production and pre-industrial wood processing works leads to the reduced efficiency and safety of the works, occasional excessive damage to forest ecosystems, and endangers the health of the contractors. The aforementioned reasons affect the economic sustainability of pre-industrial wood processing by SMEs by reducing their competitiveness and their possibility for survival in the increasingly demanding market, which has caused a continuous and significant reduction of the employment rate in the wood processing industry: from 1990 to 2011 the number of people employed decreased by almost 70% (Source: CBS).

Croatia has great, but currently underused, potential for wood biomass production: 2.75 million m³ in forests (Source: FMAP 2006-2015) and 1.5 million m³ of wood biomass in wood processing (Source: Faculty of Forestry, 2005). A substantial potential for wood biomass production is located in private forests which are mostly used for firewood production. Due to increasing demand and the great potential to increase wood biomass production (woodchips), it is necessary to develop and increase the application of technologies for the production and storage of wood biomass and introduce machinery for the economically viable production of biomass, particularly from currently inaccessible forest areas with insufficient forest road density. This will increase the availability of wood biomass as an renewable energy source in a sustainable manner, with job creation in rural areas.

The low level of use of wood biomass as a renewable energy source, insufficient use of wood as an environmentally friendly material, and underdeveloped public awareness about the possibilities, advantages and necessities of such use, requires substantial investments in wood promotion. The specific objectives of the measure are:

a. conversion of degraded forest stands, structurally degraded forest stands per tree species, and forest cultures into mixed high forest stands of indigenous tree species;

b. modernisation of the existent and the introduction of innovative and environmentally friendly technologies, machines and equipment, as well as increasing the safety of work processes in wood
production, silvicultural works and pre-industrial wood processing;

c. promotion of timber and non-timber forest products;

d. increasing the competitiveness of the forestry sector;

e. job creation in the forestry sector.

The overall objectives of the measure are:

a. improving forest ecosystem services;

b. improving the structure, stability and resilience of forest ecosystems against climate changes;

c. long-term: increase of the economic value of degraded forest stands and improve the use of renewable sources of energy (wood biomass) in rural areas.

In particular, the Measure contributes to the following focus areas through its sub-measures and types of operation:

Priority 4. Restoring, preserving and enhancing ecosystems related to agriculture and forestry

Focus area 4A: Restoring, preserving and enhancing biodiversity, (including in Natura 2000 areas, in areas facing natural or other specific constraints), high nature value farming, and the state of European landscapes.

Focus area 4B: Improving water management, including fertiliser and pesticide management; Focus area 4C: Preventing soil erosion and improving soil management.

Types of Operation:

Conversion of degraded forest stands and forest cultures

Establishment and improvement of walking trails, look-out points and other small-scale investments

The conversion of degradation forms of forest stands into high forest stands and the conversion of forest cultures into mixed indigenous tree species forest stands, including NATURA 2000 areas, will contribute to the restoration of these areas, to sustainable management, and to biodiversity preservation and improvement. The restoration of degraded forest stands will increase the favourable effect of forests on the water regime (water purification), on soil protection and on enhancing soil quality (edaphic conditions).

These actions will address needs 14 and 18.

The conversion of degraded forest stands and forest cultures shall also contribute to Focus area 5E: Fostering carbon capture and sequestration in agriculture and forestry. The implementation of appropriate silvicultural works will improve the stability, structure, resilience and health condition of forests, which will improve their capacity for carbon capture and sequestration and help address needs 18 and 21.

Priority 5. Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in the agriculture, food and forestry sectors
Focus area 5C: Facilitating the supply and use of renewable sources of energy, of by-products, wastes and residues and other non-food raw material for the purposes of bio-economy.

Types of Operation:

Modernisation of technologies, machines, tools and equipment for wood production and silvicultural works

Modernisation of technologies, machines, tools and equipment for pre-industrial wood processing

These operations are aimed at facilitated, more effective and improved production and supply of wood and wood biomass to address need 21.

Priority 6. Promoting social inclusion, poverty reduction and economic development in rural areas

Focus area 6A: Facilitating diversification, creation and development of new small enterprises, as well as job creation.

Type of operation:

Marketing of timber and non-timber forest products

Investments in the modernisation of forestry technologies for wood production and pre-industrial wood processing will stimulate the development of micro, small and medium-sized enterprises in the forestry sector which will help create new jobs in rural areas thereby addressing the negative trend in employment in the sector identified in need 19 and more generally creating new employment opportunities for rural areas to address need 23.

Moreover, many agricultural holdings are also owners of smaller forest units, therefore forestry activities can be an additional income source, thereby contributing to the overall development of the rural economy.

Contribution to cross-cutting objectives

Climate change mitigation and adaptations - The activities within the framework of this measure are aimed at the adaptation of forest ecosystems to climate change. The restoration of the degraded forms of forest stands will improve forest ecosystem services, which will help mitigate climate changes (the effect of forests on climate). Moreover, activities within the framework of this measure will foster the use of more efficient and environmentally friendly machines, tools and equipment for works in wood production and pre-industrial wood processing. Once the activities within the framework of this measure have been implemented, there will be a long-term increase of the availability and use of renewable sources of energy, which will help reduce greenhouse gas emissions.

Environmental protection - The activities within the framework of this measure are aimed at soil protection (erosion), water and air protection (forest ecosystems as water and air purifiers), biodiversity preservation and improvement, preservation and restoration of special habitats and natural landscapes including NATURA 2000 areas. Furthermore, the use of environmentally friendly technologies and machinery reduces soil damage, water pollution and exhaust gas emissions, while the modernisation of the existent and the introduction of new technologies in pre-industrial wood processing reduces the adverse impact on the environment through increased efficiency and more rational use of resources.
Innovation - Activities within the framework of this measure will foster the transfer of advanced technologies and innovative approaches in wood production, pre-industrial wood processing and marketing of forest products, which will have numerous effects on business, the most relevant being: increased productivity and employment rate with reduced production costs, improved quality of products and business processes, increased production flexibility and shorter delivery times.

[1] Pre-industrial wood processing in Croatia is the processing performed by SMEs registered for performing wood sawing and planning activities as well as the production of intermediate wood products, and such processing includes sawing, planning, drying, production of veneer, glued elements, etc. (National Classification of Economic Activities 2007 Area C; Section 16; Processing wood and products made of wood and cork, except furniture; production of products made of straw and weaving materials)

8.2.8.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regards to the setting of selection criteria

8.2.8.3.1. Q_01: CONVERSION OF DEGRADED FOREST STANDS AND FOREST CULTURES

Sub-measure:

- 8.5 - support for investments improving the resilience and environmental value of forest ecosystems

8.2.8.3.1.1. Description of the type of operation

Due to the large share of degraded forests in the Republic of Croatia, this operation is aimed primarily at
the conversion of coppice forests, shrubs, shrubbery and other private and state-owned degraded forms of forest stands into high forest stands. Within the framework of this operation, the forest stands, mostly privately owned, whose tree species structure has been degraded due to bad management in the past, resulting in the loss of their primary species such as oak, ash and others, will be converted into mixed forest stands with a favourable share of primary tree species. Forest cultures, especially monocultures of allochthonous tree species, are not very resilient to biotic and abiotic factors, making windsnaps and windthrows with substantial adverse effects increasingly frequent in such forests due to increasingly evident climate change. Through this operation, a part of such forest stands will be gradually converted into mixed high forest stands of indigenous tree species.

This operation will improve the ecosystem services of degraded forests and forest cultures with an emphasis on the protection of soil, water and air, mitigating effect of forests on climate, biodiversity preservation and improvement, carbon fixation and oxygen release, and the aesthetic function of forests, which will significantly help in improving their resilience and environmental value and will also increase their long-term economic value.

The operation contributes to the focus area 4A through the conversion of degraded forest stands into high forest stands and the conversion of forest cultures into mixed indigenous tree species forest stands, including in NATURA 2000 areas. Moreover, the operation contributes to focus areas 4B, 4C and 5E.

8.2.8.3.1.2. Type of support

Support shall be awarded as a grant.

8.2.8.3.1.3. Links to other legislation

National legislation:
- Forest Act
- Forest Reproductive Material Act
- Nature Protection Act

8.2.8.3.1.4. Beneficiaries

- Private and public forest holders
- Public entities managing state forests and forest land according to the Forest Act
- Associations of private forest holders according to the national legislation
8.2.8.3.1.5. Eligible costs

The following costs are eligible within the framework of this operation:

1. preparation of forest land for sowing and/or planting of forest reproductive material (e.g. removing unwanted tree species and other vegetation, weeding, soil treatment, drainage, building silviculture trails, installing protective fences in order to protect forest reproductive material from wildlife, etc.);

2. purchase of forest reproductive material (seeds, seedlings, etc.) including storage, transport, labour costs, polypropylene tree shelters-seedling shields, stakes for tree shelter installation, etc.;

3. labour costs for sowing and/or planting forest reproductive material;

4. services of consultants and other general costs required for project preparation and implementation (e.g. feasibility studies, CBA analyses, business plans, other project and technical documentation, environmental impact studies, etc.), for a maximum of 10% of the total eligible expenditures being eligible before project submission but not before 1st January 2014;

5. purchase of forest and forest land only for project implementation purposes for a maximum of 10% of the total eligible expenditures.

8.2.8.3.1.6. Eligibility conditions

All the investments within the framework of this operation, regardless of the size of a forest holding, must be in accordance with the following forest management plans or equivalent document as established in Croatia, as follows:

- for state-owned forests managed by the company in accordance with the Forest Act, the investments must be in accordance with the Forest Management Unit Plan or the Karst Forest Management Unit Plan,

- for state-owned forests managed by other public bodies and legal persons established by the Republic of Croatia the investments must be in accordance with the Special Purpose Forests Management Plan,

- for privately-owned forests investments must be in accordance with the Private Forest Management Plans or for those private forests without an approved FMP, in accordance with the Elaborate of silvicultural works for private forest holders issued by the Advisory Service.

Private forest holders must be registered in the Register of Private Forest Holders at the Ministry of Agriculture.

Forest holder associations must be registered in accordance with national legislation.
8.2.8.3.1.7. Principles with regards to the setting of selection criteria

Operations will be selected for co-financing on the basis of a call for proposals.

The selection criteria for eligible operations shall be defined in coherence with the strategy embodied in the RDP and the national priorities and will be laid down in the Ordinance, based on the level of forest degradation in compliance with the forest management plans or equivalent document for affected forest areas.

8.2.8.3.1.8. (Applicable) amounts and support rates

Intensity of the support is expressed as a share of public support in eligible investment costs. Intensity of the support for investments amounts to 100% of total eligible costs.

Level of support:

- The minimum value of support per project is EUR 5,000
- The maximum value of support per project is EUR 700,000.

8.2.8.3.1.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.1.9.1. Risk(s) in the implementation of the measures

The risks are defined at measure level.

8.2.8.3.1.9.2. Mitigating actions

The mitigating actions are defined at measure level.

8.2.8.3.1.9.3. Overall assessment of the measure

This type of operation is verifiable and controllable.

8.2.8.3.1.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable.
8.2.8.3.1.11. Information specific to the operation

Definition and justification of the holding size above which support will be conditional on the submission of a forest management plan or equivalent instrument in line with sustainable forest management

Regardless of the forest holding size, support will be conditional on the submission of Forest Management Plan or the specific Elaborate of silvicultural works for private forest holders issued by Advisory Service for those private forests without a forest management plan.

Definition of an "equivalent instrument"

The “equivalent instrument” to FMPs is the Elaborate of silvicultural works for private forest holder issued by the Advisory Service.

[Afforestation and creation of woodlands] Identification of species, areas and methods to be used to avoid inappropriate afforestation as referred to in Article 6(a) of [DA RD – C(2014)1460], including the description of the environmental and climatic conditions of the areas in which afforestation is foreseen as referred to in Article 6(b) of the same Regulation

Not applicable.

[Afforestation and creation of woodlands] Definition of the minimum environmental requirements referred to in Article 6 of [DA RD – C(2014)1460]

Not applicable.

[Establishment of agro-forestry systems] Specification of minimum and maximum number of trees to be planted and, when mature, to be retained, per hectare and forest species to be used as referred to in Article 23(2) of Regulation (EU) No 1305/2013

Not applicable.

[Establishment of agro-forestry systems] Indication of environmental benefits of the supported systems

Not applicable.

[Prevention and restoration of damage from forest fires and natural disasters and catastrophic events] Where relevant, list of species of organisms harmful to plants which may cause a disaster

Not applicable.
Identification of forest areas classified as being at medium to high risk of forest fire according to the relevant forest protection plan

Not applicable.

In case of preventive actions concerning pests and diseases, description of a relevant disaster occurrence, supported by scientific evidence, including, where relevant, recommendations on dealing with pests and diseases made by scientific organisations

Not applicable.

Definition of types of eligible investment and their expected environmental outcome and/or public amenity value

The following investments are eligible

- conversion of coppice forests, shrubs, shrubbery and other private and state-owned degraded forms of forest stands into high forest stands,

- conversion of forest cultures into mixed high forest stands of indigenous tree species,

- conversion of forest stands whose tree species structure has been degraded due to bad management in the past into mixed forest stands with a favourable share of primary tree species.

This type of operation will improve the ecosystem services of degraded forests and forest cultures with an emphasis on the protection of soil, water and air, mitigating effect of forests on climate, biodiversity preservation and improvement, carbon fixation and oxygen release, which will significantly help in improving their resilience and environmental value.

According to the Ordinance on forest management (Official Gazette 111/06, 141/08), during development of forest management plans, due to monitoring and conservation of forest ecosystem services, the value of forest ecosystem services is evaluated at the level of forest stand and forest management unit. The evaluation is performed according to the methodology given in Annex 4 of the Ordinance.
8.2.8.3.2. O_02: ESTABLISHMENT AND IMPROVEMENT OF WALKING TRAILS, LOOK-OUT POINTS AND OTHER SMALL-SCALE INVESTMENTS

Sub-measure:

- 8.5 - support for investments improving the resilience and environmental value of forest ecosystems

8.2.8.3.2.1. Description of the type of operation

The projects within this operation (e.g. establishment of walking paths, small scale recreation facilities, signposting, information tables, shelters, look-out points, etc.) will make the recreational, tourism and health benefits of forests more accessible to the rural and general population of rural, which will contribute to the increase of their environmental value. Moreover, the realisation of these projects will highlight specific forest ecosystem segments or segments of special significance. The operation contributes to focus area 4A through increasing the public amenity and recreational value of forests as well as fostering awareness of the general public about the importance of the preservation and sustainable management of forest ecosystems, which will contribute to biodiversity preservation and improvement, including in Natura 2000 areas.

8.2.8.3.2.2. Type of support

Support shall be awarded as grants.

8.2.8.3.2.3. Links to other legislation

Investments within the framework of this operation are linked to the relevant national legislation:

- Forest Act
- Nature Protection Act

8.2.8.3.2.4. Beneficiaries

- Private and public forest holders
- Public/state entities managing state forests and forest land according to the Forest Act
- Associations of private forest holders according to the national legislation

All the investments within the framework of this operation, regardless of the size of a forest holding, must be in accordance with the following forest management plans or equivalent document as established in Croatia, as follows:

- for state-owned forests managed by the company in accordance with the Forest Act, the investments
must be in accordance with the Forest Management Unit Plan or the Karst Forest Management Unit Plan;

- for state-owned forests managed by other public bodies and legal persons established by the Republic of Croatia the investments must be in accordance with the Special Purpose Forests Management Plan;

- for privately-owned forests investments must be in accordance with the Private Forest Management Plans or for those private forests without an approved FMP, in accordance with the Elaborate of silvicultural works for private forest holders issued by the Advisory Service.

Private forest holders must be registered in the Register of Private Forest Holders at the Ministry of Agriculture.

8.2.8.3.2.5. Eligible costs

The following costs are eligible within the framework of this operation:

1. materials, equipment, services and works, and other eligible small-scale infrastructure with the objective of establishing educational trails, look-out points and small-scale recreational facilities for public use (e.g. trail improvements, information signposts, billboards, canopies, wood furniture, etc.);

2. services of consultants and other general costs required for project preparation and implementation (e.g. feasibility studies, CBA analyses, other project and technical documentation, environmental impact studies, etc.), for a maximum of 10% of the total eligible expenditures;

3. General costs incurred before submission of the application are eligible providing they were incurred from 1st January 2014.

8.2.8.3.2.6. Eligibility conditions

Beneficiaries within the framework of this operation must obtain prior consent of the natural or legal persons who manage the forests and forest land on which the project is planned.

8.2.8.3.2.7. Principles with regards to the setting of selection criteria

Operations will be selected for co-financing on the basis of a call for proposal. The selection criteria for eligible operations will be laid down in the Ordinance and are defined in coherence with the strategy embodied in the RDP and the national priorities, such as: target groups of forestry actions.
8.2.8.3.2.8. (Applicable) amounts and support rates

Intensity of the support for investments amounts to 100% of total eligible costs.

8.2.8.3.2.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.2.9.1. Risk(s) in the implementation of the measures

The risks are defined at measure level.

8.2.8.3.2.9.2. Mitigating actions

The mitigating actions are defined at measure level.

8.2.8.3.2.9.3. Overall assessment of the measure

The operation is verifiable and controllable.

8.2.8.3.2.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.8.3.2.11. Information specific to the operation

Definition and justification of the holding size above which support will be conditional on the submission of a forest management plan or equivalent instrument in line with sustainable forest management:

Regardless of the forest holding size, support will be conditional on the submission of Forest Management Plan or the specific Elaborate of silvicultural works for private forest holders issued by Advisory Service for those private forests without a forest management plan.

Definition of an "equivalent instrument"

The “equivalent instrument” to FMPs is the Elaborate of silvicultural works for private forest holder issued by the Advisory Service.

[Afforestation and creation of woodlands] Identification of species, areas and methods to be used to avoid inappropriate afforestation as referred to in Article 6(a) of [DA RD – C(2014)1460], including the
description of the environmental and climatic conditions of the areas in which afforestation is foreseen as referred to in Article 6(b) of the same Regulation

<table>
<thead>
<tr>
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<tr>
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<tr>
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<td>Not applicable.</td>
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<td>[Establishment of agro-forestry systems]</td>
<td>Specification of minimum and maximum number of trees to be planted and, when mature, to be retained, per hectare and forest species to be used as referred to in Article 23(2) of Regulation (EU) No 1305/2013</td>
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</tr>
<tr>
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<td>Not applicable.</td>
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</tbody>
</table>
The following types of investments are eligible:

- materials, equipment, services and works, and other eligible small-scale infrastructure with the objective of establishing educational trails, look-out points and small-scale recreational facilities for public use;

- services of consultants and other general costs required for project preparation and implementation for a maximum of 10% of the total eligible expenditures.

The expected outcome is an increase in the public amenity and recreational value through improved access and small-scale infrastructure increasing the public benefit from the forests.

According to the Ordinance on forest management (Official Gazette 111/06, 141/08), during development of forest management plans, due to monitoring and conservation of forest ecosystem services, the value of forest ecosystem services is evaluated at the level of forest stand and forest management unit. The evaluation is performed according to the methodology given in Annex 4 of the Ordinance.
8.2.8.3.3. O_03: MODERNISATION OF TECHNOLOGIES, MACHINES, TOOLS AND EQUIPMENT FOR WOOD PRODUCTION AND SILVICULTURAL WORKS

Sub-measure:

- 8.6 - support for investments in forestry technologies and in processing, mobilising and marketing of forest products

8.2.8.3.3.1. Description of the type of operation

The operation is aimed at increasing efficiency, environmental friendliness, ergonomics and the safety of work processes in wood production works and silvicultural works through the modernisation of existent and the introduction of innovative and environmentally friendly technologies, machines, tools and equipment. Wood production works include felling, skidding, extraction and cable yarding of wood, and wood biomass production (woodchips).

Investments in the modernisation of existent and the introduction of efficient and environmentally friendly technologies, machines, tools and equipment for wood production works will increase the availability and utilisation of wood as a material, but also of wood as a renewable source of energy (wood biomass). Simultaneously, wood will be produced using methods which have only a minor adverse effect on forest ecosystems.

The modernisation of existent and the introduction of efficient and environmentally friendly technologies, machines and tools for forest soil preparation works will create the preconditions for more effective and better quality sowing and planting of forest reproductive material. This will significantly improve the management of forests owned by private forest holders, which are often degraded and of low economic value.

The operation contributes to the focus area 5C through facilitated, more efficient and improved production and supply of wood and wood biomass.

8.2.8.3.3.2. Type of support

Support shall be awarded as grants.

8.2.8.3.3.3. Links to other legislation

National legislation:

- Occupational Safety Act
### 8.2.8.3.3.4. Beneficiaries

The eligible beneficiaries for this operation are:

- Private forest holders
- Associations of private forest holders according to the national legislation
- Crafts, companies, micro, small and medium-sized enterprises, registered in accordance with national legislation.

### 8.2.8.3.3.5. Eligible costs

The following costs are eligible within the framework of this operation:

1. purchase of new and second hand machines, tools, devices and equipment for wood felling (harvesters, chainsaws, etc.);
2. purchase of new and second hand machines, tools, devices and equipment for skidding, extraction and cable yarding of wood (forwarders, skidders, cableways, tractor assemblies, etc.);
3. purchase of new and second hand machines, tools, devices and equipment for wood biomass production (chippers, log splitters, etc.);
4. purchase of new and second hand machines, tools, devices and equipment for silvicultural works for preparation of forest land for sowing or planting (mulchers, etc.);
5. construction costs for facilities and purchase of new and second hand equipment for the storage, protection and drying of timber products (silos, woodchip storage, loaders, atomisers, etc.);
6. services of consultants and other general costs required for project preparation and implementation (e.g. feasibility studies, CBA analyses, business plans, other project and technical documentation, environmental impact studies, etc.), for a maximum of 10% of the total eligible expenditures;
7. General costs incurred before submission of the application are eligible providing they were incurred from 1st January 2014.

### 8.2.8.3.3.6. Eligibility conditions

Beneficiaries must meet the following conditions for investments within the framework of this operation:

- Private forest holders must be registered in the Register of Private Forest Holders at the Ministry of Agriculture.
- Forest holder associations must be registered in accordance with national legislation.
- Crafts, companies, micro, small and medium-sized enterprises must be licensed contractors for forestry works by Croatian Chamber of Forestry and Wood Technology Engineers.
8.2.8.3.7. Principles with regards to the setting of selection criteria

Operations will be selected for co-financing on the basis of a public call of proposal.

The selection criteria for eligible operations defined in coherence with the strategy embodied in the RDP and the national priorities will be laid down in the Ordinance, such as:

• Energy efficiency criteria;
• prioritization of micro and small local companies;
• the location of the operation according to the Regional Development Index.

8.2.8.3.8. (Applicable) amounts and support rates

Intensity of the support amounts to 50% of total eligible costs.

Level of support:

• The minimum value of support per project shall be EUR 5,000;
• The maximum value of support per project shall be EUR 700,000.

8.2.8.3.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.9.1. Risk(s) in the implementation of the measures

The risks are defined at measure level.

8.2.8.3.9.2. Mitigating actions

The mitigating actions are defined at measure level.

8.2.8.3.9.3. Overall assessment of the measure

This type of operation is verifiable and controllable.

8.2.8.3.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable.
8.2.8.3.3.11. Information specific to the operation

Definition and justification of the holding size above which support will be conditional on the submission of a forest management plan or equivalent instrument in line with sustainable forest management

Applicable only to private forestry holdings. Support will be conditional on the submission of a Forest Management Plan or the specific Elaborate of silvicultural works for private forest holders issued by Advisory Service for those private forests without a forest management plan.

Definition of an "equivalent instrument"

The “equivalent instrument” to FMPs is the Elaborate of silvicultural works for private forest holder issued by the Advisory Service.

[Afforestation and creation of woodlands] Identification of species, areas and methods to be used to avoid inappropriate afforestation as referred to in Article 6(a) of [DA RD – C(2014)1460], including the description of the environmental and climatic conditions of the areas in which afforestation is foreseen as referred to in Article 6(b) of the same Regulation

Not applicable.

[Afforestation and creation of woodlands] Definition of the minimum environmental requirements referred to in Article 6 of [DA RD – C(2014)1460]

Not applicable.

[Establishment of agro-forestry systems] Specification of minimum and maximum number of trees to be planted and, when mature, to be retained, per hectare and forest species to be used as referred to in Article 23(2) of Regulation (EU) No 1305/2013

Not applicable.

[Establishment of agro-forestry systems] Indication of environmental benefits of the supported systems

Not applicable.

[Prevention and restoration of damage from forest fires and natural disasters and catastrophic events] Where relevant, list of species of organisms harmful to plants which may cause a disaster
Not applicable.

[Prevention and restoration of damage from forest fires and natural disasters and catastrophic events] Identification of forest areas classified as being at medium to high risk of forest fire according to the relevant forest protection plan

Not applicable.

[Prevention and restoration of damage to forest fires and natural disasters and catastrophic events] In case of preventive actions concerning pests and diseases, description of a relevant disaster occurrence, supported by scientific evidence, including, where relevant, recommendations on dealing with pests and diseases made by scientific organisations

Not applicable.

[Investments improving the resilience and environmental value of forest ecosystems] Definition of types of eligible investment and their expected environmental outcome and/or public amenity value

The following investments are eligible within the framework of this operation:

1. purchase of new and second hand machines, tools, devices and equipment for wood felling (harvesters, chainsaws, etc.);
2. purchase of new and second hand machines, tools, devices and equipment for skidding, extraction and cable yarding of wood (forwards, skidders, cableways, tractor assemblies, etc.);
3. purchase of new and second hand machines, tools, devices and equipment for wood biomass production (chippers, log splitters, etc.);
4. purchase of new and second hand machines, tools, devices and equipment for silvicultural works for preparation of forest land for sowing or planting (mulchers, etc.);
5. construction costs for facilities and purchase of new and second hand equipment for the storage, protection and drying of timber products (silos, woodchip storage, loaders, atomisers, etc.);

Their environmental outcome is reducing fuel consumption and greenhouse gas emissions, reducing soil damage which has great impact on tree and plant growth.
8.2.8.3.4. O_04: MODERNISATION OF TECHNOLOGIES, MACHINES, TOOLS AND EQUIPMENT FOR PRE-INDUSTRIAL WOOD PROCESSING

Sub-measure:

- 8.6 - support for investments in forestry technologies and in processing, mobilising and marketing of forest products

8.2.8.3.4.1. Description of the type of operation

The operation is aimed at increasing efficiency, environmental friendliness, ergonomics and safety of work processes in pre-industrial wood processing through the modernisation of existent and the introduction of efficient and environmentally friendly technologies, machines, tools and equipment. Pre-industrial wood processing in Croatia is the processing performed by SMEs registered for performing wood sawing and planning activities as well as the production of intermediate wood products, and such processing includes sawing, planning, drying, production of veneer, glued elements, etc. (National Classification of Economic Activities 2007Area C; Section 16; Processing wood and products made of wood and cork, except furniture; production of products made of straw and weaving materials).

Modernisation will create the conditions for improving production processes and the business environment, and will stimulate economic growth. Simultaneously, the modernisation of technologies, machines, tools and equipment will increase market competitiveness, which will help reverse the long-term negative trend of the decreasing employment rate in pre-industrial wood processing which exerts a major impact on the population of rural areas.

Furthermore, the operation is aimed at the introduction of ICT technologies in pre-industrial wood processing which will, in addition to increasing productivity, also contribute to a more rational use of natural resources with a positive impact on nature and the environment.

The operation will have positive effects on the business activities of crafts, companies, micro, small and medium-sized enterprises in pre-industrial wood processing, the most relevant being: increased production, reduced production costs, improved quality of products and business processes, increased production flexibility and shorter delivery times.

The operation contributes to the focus area 5C through facilitated, more efficient and improved production and supply of wood.

8.2.8.3.4.2. Type of support

Support shall be awarded as grants.

8.2.8.3.4.3. Links to other legislation

National legislation:
8.2.8.3.4.4. Beneficiaries

The eligible beneficiaries for this operation are crafts, companies, micro, small and medium-sized enterprises, registered for wood processing activities in accordance with national legislation.

8.2.8.3.4.5. Eligible costs

The following costs and investments are eligible within the framework of this operation:

1. purchase of new and second hand machines, tools, devices and equipment for pre-industrial wood processing (planers, saws, veneer machinery, etc.);
2. purchase of new and second hand machines, tools, devices and equipment for pellet and briquette production (briquette compactor, pellet compactor, etc.);
3. installation and/or purchase of information and communications technology (ICT) in wood production and pre-industrial wood processing (software for the optimisation of timber assortment utilisation, etc.);
4. construction costs for facilities and purchase of new and second hand equipment for drying, steaming, storage and protection of timber products (drying facilities, steaming facilities, silos, woodchip storage, loaders, atomisers, etc.);
5. services of consultants and other general costs required for project preparation and implementation (e.g. feasibility studies, CBA analyses, business plans, other project and technical documentation, environmental impact studies, etc.), for a maximum of 10% of the total eligible expenditures.

8.2.8.3.4.6. Eligibility conditions

Beneficiaries must meet the following condition for investments within the framework of this operation:

- Crafts, companies, micro, small and medium-sized enterprises must be registered for wood processing activities in accordance with the national legislation.

8.2.8.3.4.7. Principles with regards to the setting of selection criteria

Projects will be selected for co-financing on the basis of a call for proposals. The selection criteria for eligible projects defined in coherence with the strategy embodied in the RDP and the national priorities will be laid down in the Ordinance, such as:

- Energy efficiency criteria
• prioritization of micro and small local companies
• regional development index

8.2.8.3.4.8. (Applicable) amounts and support rates

Intensity of the support for investments amounts to 50% of total eligible costs.

Level of support:

• The minimum value of support per project shall be EUR 10,000
• The maximum value of support per project shall be EUR 2.5 million.

8.2.8.3.4.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.4.9.1. Risk(s) in the implementation of the measures

The risks are defined at measure level.

8.2.8.3.4.9.2. Mitigating actions

The mitigating actions are defined at measure level.

8.2.8.3.4.9.3. Overall assessment of the measure

This type of operation is verifiable and controllable.

8.2.8.3.4.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.8.3.4.11. Information specific to the operation

Definition and justification of the holding size above which support will be conditional on the submission of a forest management plan or equivalent instrument in line with sustainable forest management

Not applicable.
Definition of an "equivalent instrument"

Not applicable.

[Afforestation and creation of woodlands] Identification of species, areas and methods to be used to avoid inappropriate afforestation as referred to in Article 6(a) of [DA RD – C(2014)1460], including the description of the environmental and climatic conditions of the areas in which afforestation is foreseen as referred to in Article 6(b) of the same Regulation

Not applicable.

[Afforestation and creation of woodlands] Definition of the minimum environmental requirements referred to in Article 6 of [DA RD – C(2014)1460]

Not applicable.

[Establishment of agro-forestry systems] Specification of minimum and maximum number of trees to be planted and, when mature, to be retained, per hectare and forest species to be used as referred to in Article 23(2) of Regulation (EU) No 1305/2013

Not applicable.

[Establishment of agro-forestry systems] Indication of environmental benefits of the supported systems

Not applicable.

[Prevention and restoration of damage from forest fires and natural disasters and catastrophic events] Where relevant, list of species of organisms harmful to plants which may cause a disaster

Not applicable.

[Prevention and restoration of damage from forest fires and natural disasters and catastrophic events] Identification of forest areas classified as being at medium to high risk of forest fire according to the relevant forest protection plan

Not applicable.

[Prevention and restoration of damage from forest fires and natural disasters and catastrophic events] In case of preventive actions concerning pests and diseases, description of a relevant disaster occurrence, supported by
scientific evidence, including, where relevant, recommendations on dealing with pests and diseases made by scientific organisations

Not applicable.

[Investments improving the resilience and environmental value of forest ecosystems] Definition of types of eligible investment and their expected environmental outcome and/or public amenity value

The following costs and investments are eligible within the framework of this operation:

1. purchase of new and second hand machines, tools, devices and equipment for pre-industrial wood processing (planers, saws, veneer machinery, etc.);
2. purchase of new and second hand machines, tools, devices and equipment for pellet and briquette production (briquette compactor, pellet compactor, etc.);
3. installation and/or purchase of information and communications technology (ICT) in wood production and pre-industrial wood processing (software for the optimisation of timber assortment utilisation, etc.);
4. construction costs for facilities and purchase of new and second hand equipment for drying, steaming, storage and protection of timber products (drying facilities, steaming facilities, silos, woodchip storage, loaders, atomisers, etc.);

Their environmental outcome is reducing fuel consumption and greenhouse gas emissions
8.2.8.3.5. O_05: MARKETING OF TIMBER AND NON-TIMBER FOREST PRODUCTS

Sub-measure:

- 8.6 - support for investments in forestry technologies and in processing, mobilising and marketing of forest products

8.2.8.3.5.1. Description of the type of operation

Due to the unsatisfactory level of utilisation of numerous timber and non-timber forest products, there is a need for systematic marketing. The operation is aimed especially at the use of wood biomass as a renewable source of energy because its potentials remain unexploited and information and specific knowledge about it is unavailable to a wide group of users, especially those in rural areas. Informing the public about the possibilities, advantages and positive effects of using these products will bring long-term improvements to the development of rural areas, proportional to the investments in the development and utilisation of this resource.

The beneficial effects of using non-timber forest products (fruit, medicinal herbs, fungi and other plant material) in nutrition are not sufficiently known. That can be changed only through advanced promotional and marketing activities which would systematically target a general population of potential users, but also of potential producers in rural areas.

Promotional activities within the framework of this operation are aimed at: the design of promotional materials, holding workshops for producers and users, holding specialised fairs, drawing up presentation programmes for individual products, drawing up and implementing market research projects for individual products, assessing the interest of potential producers for establishing enterprises aimed at utilising these products and assessing the interest of potential users in using future products, as well as drawing up and implementing promotional programmes and activities for the purposes of local government and self-government.

The operation contributes to focus area 6A through the promotion and market placement of timber and non-timber forest products.

It will also contribute to focus area 5C concerning the use of wood biomass.

8.2.8.3.5.2. Type of support

Support shall be awarded as grants.

8.2.8.3.5.3. Links to other legislation

Forest Act
8.2.8.3.5.4. Beneficiaries

The eligible beneficiaries for this operation are:

- Private forest holders
- Private forest holder associations
- Micro, small and medium-sized enterprises
- Local government and self-government units and their associations.

8.2.8.3.5.5. Eligible costs

The following costs and investments are eligible within the framework of this operation:

1. costs for the marketing of timber and non-timber (fungi, forest fruit, etc.) forest products (e.g. promotional materials, workshops, multimedia, participation in fairs, etc.);
2. services of consultants and other general costs required for project preparation and implementation (e.g. market research costs, CBA analyses, business plans and other relevant project documentation), for a maximum of 10%.

8.2.8.3.5.6. Eligibility conditions

Beneficiaries must meet the following conditions for investments within the framework of this operation:

- Private forest holders must be registered in the Register of Private Forest Holders at the Ministry of Agriculture;
- Forest holder associations must be registered in accordance with national legislation.

8.2.8.3.5.7. Principles with regards to the setting of selection criteria

Operations will be selected for co-financing on the basis of a public call of proposal. The selection criteria for eligible projects are defined in coherence with the strategy embodied in the RDP and the national priorities will be laid down in the Ordinance, based on the following principles:

- implementation of the project in more than one county in Croatia in terms of the target marketing activity


8.2.8.3.5.8. (Applicable) amounts and support rates

Intensity of the support for investments amounts to 50% of total eligible costs.

Level of support:

- The minimum value of support per project shall be EUR 5,000;
- The maximum value of support per project shall be EUR 30,000.

8.2.8.3.5.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.5.9.1. Risk(s) in the implementation of the measures

The risks are defined at measure level.

8.2.8.3.5.9.2. Mitigating actions

The mitigating actions are defined at measure level.

8.2.8.3.5.9.3. Overall assessment of the measure

This type of operation is verifiable and controllable.

8.2.8.3.5.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.8.3.5.11. Information specific to the operation

Definition and justification of the holding size above which support will be conditional on the submission of a forest management plan or equivalent instrument in line with sustainable forest management

Applicable only to private forestry holdings. Support will be conditional on the submission of Forest Management Plan or the specific Elaborate of silvicultural works for private forest holders issued by
Advisory Service for those private forests without a forest management plan.

Definition of an "equivalent instrument"

The “equivalent instrument” to FMPs is the Elaborate of silvicultural works for private forest holder issued by the Advisory Service.

[Afforestation and creation of woodlands] Identification of species, areas and methods to be used to avoid inappropriate afforestation as referred to in Article 6(a) of [DA RD – C(2014)1460], including the description of the environmental and climatic conditions of the areas in which afforestation is foreseen as referred to in Article 6(b) of the same Regulation

Not applicable.

[Afforestation and creation of woodlands] Definition of the minimum environmental requirements referred to in Article 6 of [DA RD – C(2014)1460]

Not applicable.

[Establishment of agro-forestry systems] Specification of minimum and maximum number of trees to be planted and, when mature, to be retained, per hectare and forest species to be used as referred to in Article 23(2) of Regulation (EU) No 1305/2013

Not applicable.

[Establishment of agro-forestry systems] Indication of environmental benefits of the supported systems

Not applicable.

[Prevention and restoration of damage from forest fires and natural disasters and catastrophic events] Where relevant, list of species of organisms harmful to plants which may cause a disaster

Not applicable.

[Prevention and restoration of damage from forest fires and natural disasters and catastrophic events] Identification of forest areas classified as being at medium to high risk of forest fire according to the relevant forest protection plan

Not applicable.
Not applicable.

[Prevention and restoration of damage to forest fires and natural disasters and catastrophic events] In case of preventive actions concerning pests and diseases, description of a relevant disaster occurrence, supported by scientific evidence, including, where relevant, recommendations on dealing with pests and diseases made by scientific organisations

Not applicable.

[Investments improving the resilience and environmental value of forest ecosystems] Definition of types of eligible investment and their expected environmental outcome and/or public amenity value

The investments are costs for the marketing of timber and non-timber products. The promotion of FSC products will contribute to the environmental value of forests by fostering sustainable production and markets for high added-value products.

8.2.8.4. Verifiability and controllability of the measures and/or types of operations

8.2.8.4.1. Risk(s) in the implementation of the measures

- Establishment of the management and control system by the Paying Agency to carry out forestry measures, due to the fact that Paying Agency has no experience in implementation of either national or pre-accession forestry measures.
- Approved operations are not in accordance with FMPs or other relevant management plans or strategies.

8.2.8.4.2. Mitigating actions

1. Preconditions and technical requirements for set up of management and control system to carry out forestry measures but additional actions are needed to ensure smooth implementation. Update of LPIS (ARKOD) with forestry related data is needed as well as staff training. Use of technical service could be envisaged if needed.

2. All interventions carried out in Forests in accordance with the relative Forest Management Plan (FMP) are supervised and confirmed by certified forestry engineers (a regulated profession) in Acceptance Records annexed to the FMP and which are also available in electronic form in the MoA, which also controls the implementation of the FMP. Administrative access to these records would provide a further control that could be performed by the Paying Agency. In the case of private forests without FMPs, interventions must be carried out within the context of the specific Elaborate of silvicultural works for private forest holders and sample checks shall be carried out
8.2.8.4.3. Overall assessment of the measure

In view of the above mitigating actions, this measure is controllable and verifiable.

8.2.8.5. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.8.6. Information specific to the measure

[Prevention and restoration of damage from forest fires and natural disasters and catastrophic events] Where relevant, list of species of organisms harmful to plants which may cause a disaster

Not applicable.

Definition and justification of the holding size above which support will be conditional on the submission of a forest management plan or equivalent instrument in line with sustainable forest management

Regardless of the forest holding size, support will be conditional on the submission of Forest Management Plan or the specific Elaborate of silvicultural works for private forest holders issued by Advisory Service for those private forests without a forest management plan.

Definition of an "equivalent instrument"

The “equivalent instrument” to FMPs is the Elaborate of silvicultural works for private forest holder issued by the Advisory Service.

[Prevention and restoration of damage to forest fires and natural disasters and catastrophic events] In case of preventive actions concerning pests and diseases, description of a relevant disaster occurrence, supported by scientific evidence, including, where relevant, recommendations on dealing with pests and diseases made by scientific organisations

Not applicable.
8.2.8.7. Other important remarks relevant to understand and implement the measure

Forest management plans (FMPs) are defined by the national legislation in the field of forestry (Forest Act and relevant Ordinances).

The following list illustrates the relevant FMPs for beneficiaries of the RDP 2014-2020:
1) Forest Management Unit Plan - for state-owned forests in the continental area managed by the public company

2) Karst Forest Management Unit Plan - for state-owned forests on karst area managed by the public company

3) Special Purpose Forests Management Plan - for state-owned forests managed by other public administration bodies and legal persons established by the Republic of Croatia

4) Private Forest Management Plan - for privately-owned forests

FMPs are adopted for a period of 10 years, orientational for the next 10 and further 20 years. They are made by experts, based on the measurements and state of forests and forest land, and approved by the competent Ministry for forestry, and based on the conclusions of an expert commission (whose members are forestry experts, and for forests in protected areas also nature protection experts).

FMPs are in compliance with the County's Spatial Plans, and in addition to the data on current management, they include the following:

1) Forest fire protection plan
2) Special conditions of environment/nature protection
3) Prescription of time and amount of cutting
4) Forestry and silvicultural works
5) Determination of value of forest ecosystem services for the stated period
6) Plan of construction of forest infrastructure (forest roads and extraction racks)
7) Forest pests protection plan

The performance of the works prescribed by FMPs is mandatory for each public and private forest holder managing the forests, and the execution of the prescribed works is controlled by the Forestry Inspection Service at the Ministry of Agriculture. The supervision and confirmation of the completed works are performed by the certified forestry engineers (regulated profession), and the neatness (accuracy) of the completed works is confirmed by the acceptance records.

FMPs are made in two legal copies - one stored at the legal entity that manages the forest, and the other stored at the competent Ministry (Ministry of Agriculture) that approved the FMP. Based on the stated acceptance records, the legal entity that manages the forest records the performed works and discharges them in the FMP in paper and electronic form. Thus all the data on performed works in forests and forest land are available, monitored and controlled.
8.2.9. M09 - Setting-up of producer groups and organisations (art 27)

8.2.9.1. Legal basis


8.2.9.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

Due to the lack of information and experience in associations, different levels of professional experience, lack of understanding of common goals and principles of operation farmers have low interest for associating. The objective of this measure is associating agricultural producers with lower production into producer groups and organisations which will ensure them easier entrance to the market and competitiveness on the market.

Contribution to focus areas

Measure contributes to priority 3 Promoting food chain organisations, including processing and marketing of agricultural products, animal welfare and risk management in agriculture.

Focus area 3A Improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and organisations and inter-branch organisations.

Measure will encourage establishment and operation of producer groups and organisations, which will lead to a concentration of production and an adjustment of production (supply) with market requirements (demand), thus increasing added value in agriculture.

Contribution to cross-cutting objectives

This measure contributes to the realisation of cross-cutting objectives related to climate changes,
environmental protection and innovations.

Climate change - Encouraging establishment and operation of producer groups and organisations will achieve the centralization of supply, development of short supply chains and local markets, which will result in reduction of logistics, storing and transportation costs, and thereby reducing carbon dioxide emissions.

Environmental protection - Participating in operation of a producer group or organisation will increase awareness of the importance of environmental protection and the associated production will impact it directly.

Innovation - Associated actions through producer groups and organisations will enable development and implementation of innovations.

8.2.9.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regards to the setting of selection criteria

8.2.9.3.1. O_01: Setting - up of producer groups and organisations

Sub-measure:

- 9.1 - setting up of producer groups and organisations in the agriculture and forestry sectors

8.2.9.3.1.1. Description of the type of operation

Establishment and operation of producer groups and organisations in the agriculture and forestry sector will enable adapting the production to market requirements, better product placement and its competitiveness on the market as well as the reduction of intermediary sales. Jointly placing goods on the market will provide that all members of the producer group or organisation easier sell products. Participation in the producer group or organisation will enable usage of new technologies and the organisation and facilitation of the innovation processes. Producer group and organisation receive support based on a business plan which must be verified by the Ministry responsible for agriculture and forestry, which has recognised a producer group or organisation.

The operation contributes to the focus area 3A. Associating agricultural producers into producer groups and organisations will ensure them easier entrance to the market, better quality of products and competitiveness on the market.
### 8.2.9.3.1.2. Type of support

Support shall be paid as flat rate aid in annual instalments.

### 8.2.9.3.1.3. Links to other legislation

- Agriculture Act
- Act on the Common Market Organization and Specific Measures and Rules Related to Markets of Agricultural Products

### 8.2.9.3.1.4. Beneficiaries

Eligible beneficiaries are producer groups or organisations from agriculture or forestry sectors under the definition of small and medium enterprises and officially recognised or in the process of recognition by the competent national authority - Ministry responsible for agriculture and forestry in the period from 1st January 2014 to 31st December 2020.

### 8.2.9.3.1.5. Eligible costs

Eligible expenditure shall be in accordance with the business plan of the producer group or organisation.

### 8.2.9.3.1.6. Eligibility conditions

The following conditions are applicable:

a) A producer group or organisation must have at least five members.

b) A producer group or organisation must submit a business plan for a five-year period, stating the clear objectives of the producer group or organisation, which shall detail the planned activities for at least one of the following:

- adapting the production and output of products to market requirements
- jointly placing goods on the market, including preparation for sale, centralization of sales and supply to bulk buyers
- common rules on production information, with particular regard to harvesting and availability,
- development of business and marketing skills and the organisation and facilitation of innovation processes.
8.2.9.3.1.7. Principles with regards to the setting of selection criteria

Operations will be selected for co-financing on the basis of a call for proposals.

The selection criteria for the eligible operations, will be laid down in the Ordinance based on the following principles:

- the number of associated producers;
- number of producers of products with quality designations;
- annual marketed production;
- producer groups in priority sectors according to the SWOT analysis;
- producer groups in areas facing natural and other specific constraints;
- the location of the operation according to the Regional Development Index or the location in more than one county.

Only operations reaching a minimal threshold score shall be funded.

8.2.9.3.1.8. (Applicable) amounts and support rates

During the programming period a producer group or organisation may receive this type of support only once.

Support is limited to a maximum of 10% of value of annual marketed production and cannot exceed 100,000 euro per year regardless of the actual calculation of possible support.

The support is calculated based on the groups or organisations annual marketed production and amounts as follows:

- in the 1st year 10% of marketed production
- in the 2nd year 9% of marketed production
- in the 3rd year 8% of marketed production
- in the 4th year 7% of marketed production
- in the 5th year 6% of marketed production

The payment of the last instalment will be made after having verified the correct implementation of the business plan.

8.2.9.3.1.9. Verifiability and controllability of the measures and/or types of operations

8.2.9.3.1.9.1. Risk(s) in the implementation of the measures

The risks are defined at measure level.
8.2.9.3.1.9.2. Mitigating actions

The mitigating actions are defined at measure level.

8.2.9.3.1.9.3. Overall assessment of the measure

This type of operation is verifiable and controllable.

8.2.9.3.1.10. Methodology for calculation of the amount or support rate, where relevant

In the case of producer groups and organisations in the agriculture sector, support shall be calculated on the basis of the average annual value of the marketed production of its members over the three years before they entered the group or organisation.

In the case of producer groups and organisations in the forestry sector, support shall be calculated on the basis of the average annual value of the marketed production of its members over the last five years before recognition, excluding the highest and the lowest value.

In case that the objectives from the business plan for the previous year were not met, the payment of the following instalment is possible under the condition that it is approved by the Committee which has recognised the producer group or organisation.

The basis for the calculation of the level of support for the next four years will be an annual value of marketed production of the producer group or organisation.

8.2.9.3.1.11. Information specific to the operation

Description of the official procedure for recognising the groups and organisations

This is described at measure level.

8.2.9.4. Verifiability and controllability of the measures and/or types of operations

8.2.9.4.1. Risk(s) in the implementation of the measures

- The administrative system does not include adequate checks of beneficiaries’ payment requests; or the administrative procedure was not recorded well enough to ensure that all checks had been made.
- The invoices provided by the beneficiary do not enable costs to be checked for reasonableness, as they were not specific enough.
The beneficiary started a set up of producer group or organisation before submitting an application.

- Risk of unrealistic and unclear business plan based on unreliable data.
- National regulations for recognition of producer group or organisations by competent authority are not adopted by the time of RDP programming.
- Members of a producer group or organisation would be crossing from one producer group or organisation to another within the same sector, recognized for the same type of product in order to use the support several times.
- Risk related to sustainability of producer groups or organisations (especially after 5-year period of support)
- Incorrect implementation of the business plan by beneficiary.
- Improper calculation of the average annual value of the marketed production of producer group or organisation' members over the three years.
- Approval of support to non-eligible beneficiaries which do not falling under the definition of SMEs.
- Real costs are difficult to verify and to demonstrate.
- Payment of non-eligible VAT or other ineligible expenditure.

### 8.2.9.4.2. Mitigating actions

- All needed checks of beneficiaries’ payment requests has to be prescribed in written procedures of payment agency and each official responsible for authorisation shall have at his disposal a detailed checklist of the verifications he is required to undertake. It includes the supporting documents of the claim and sufficiently detailed audit trail that those checks have been performed. That attestation may be made by electronic means or paper based. Additionally, there shall be evidence of review of the work by other staff member if related to authorisation of payment. This review can be performed on sample base and on only critical eligibility checks depending of nature of related specific risk identified in control system set-up.
- Paying Agency has to ensure that appropriate control systems to check reasonableness of prices of eligible expenditure on the basis of real costs, but also simplified cost option as flat rate financing, standard scales of unit costs and lump sums might be envisaged for particular types of costs if appropriate.
- As preventive action Managing Authority will periodically conduct informative campaign about implementation of this measure for potential applicants. However, paying agency has to ensure that costs are eligibly after submission of application only.
- Paying Agency should perform assessment of business plans as part of regular administrative control. Assessment should include verification of calculation of the average annual value of the marketed production. Assessment of business plans should include verification of producer groups/organisations sustainability. All administrative checks on business plan implementation have to be conducted before final payment.
- Ministry of Agriculture has to adopt national legislation before first Call for applicants.
• Paying Agency shall develop register which will include data of producer group/organisations members. Data will be cross-checked by the time of operation approval and payment claim approval.

• Sustainability of selected operations can be empowered by developing and applying proper selection criteria.

• Implementation of the business plan will be set as legal condition in Operation approval decision issued by paying agency. Payment claims by beneficiary could be executed only after all checks related to implementation of business plan are conducted and verified. As a preventive action, education and training of potential beneficiaries is envisaged, as well as on-going guidance during implementation of business plan.

• Calculation of the average annual value of the marketed production of producer group or organisation' members over the three years will be cross-checked by special PA’s service for economic analysis prior execution of payment. Those checks have to be prescribed by written procedures and can be considered as part of claim authorisation.

• Model of self-assessment declaration that individual companies may complete themselves when applying to this SME support scheme only in order to establish their SME status will be used. PA will conduct additional checks if needed.

• Evaluation of reasonableness of real costs either through use of reference costs, the comparison of different offers or using an evaluation committee, depending on the typology of cost is envisaged by special PA’s service for technical analysis. Database of reference cost is set up and will be updated according to reference costs on disposal.

• Eligibility of VAT and other costs is part of standard checks conducted by paying agency included in detailed check-list for authorisation of payments.

8.2.9.4.3. Overall assessment of the measure

Based on the above mitigating actions, this measure is verifiable and controllable.

8.2.9.5. Methodology for calculation of the amount or support rate, where relevant

This is specified at the level of operation.

8.2.9.6. Information specific to the measure

Description of the official procedure for recognising the groups and organisations

Specific registration procedures per sector are established by the competent Ministry.
8.2.9.7. Other important remarks relevant to understand and implement the measure

A clear demarcation is established between operations under this measure and Measure M04.
8.2.10. M10 - Agri-environment-climate (art 28)

8.2.10.1. Legal basis


8.2.10.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

Intensive agricultural production, mainly focused on monoculture, aims to produce the largest possible yield per unit area, which requires large amounts of fertilizers and pesticides. Humus layer decreases over time, leading to reduced soil fertility. Modern machinery requires large arable land, hedges and woods were cleared, meadows were ploughed and wetlands were reclaimed. Over a long period of time it became clear that intensive agriculture negatively affects the quality of water, air and soil, leading to a reduction of biodiversity and landscape characteristics.

After the SWOT analysis was conducted, the needs were identified, and the following shall be addressed through this Measure:

Need 14. Soil erosion prevention and increasing of soil fertility and soil organic matter;

Need 15. Maintenance of water, soil and air quality;


The aim of the measure is to encourage farming practices that are beneficial to the environment and mitigate the negative effects of agriculture. Furthermore, this measure encourages biodiversity and genetic resources related to agriculture.

In particular, the measure pursue the following objectives/needs: 1) Loss of soil and of soil fertility; 2) Lack of education and awareness among farmers of the importance and benefits of sustainable management of ecosystems; 3A) Conservation of sustainable cultivation methods in order to reduce pressure on agricultural land; 3B) Preservation of the traditional plant and animal species which have adapted to local conditions and are in danger of being lost.

The following types of operations have been prepared as solutions for Natura 2000 sites within the Agri-
environment-climate measure preservation of high nature value grasslands, pilot measure for the protection of corncrake (Crex crex), pilot measure for the protection of butterflies, establishment of field strips, maintaining extensive orchards, maintaining extensive olive groves, preservation of landscape features - stone walls and hedges.

**Contribution to focus areas:**

**Priority 4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry, with a focus on the following areas:**

FA 4A: restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints, and high nature value farming, as well as the state of European landscapes;

FA 4B: improving water management, including fertilisers and pesticides management;

FA 4C: preventing soil erosion and improving soil management.

**Priority 5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors, with a focus on the following areas:**

FA 5D: Reducing greenhouse gas and ammonia emissions from agriculture;

FA 5E: Fostering carbon conservation and CO2 sequestration in agriculture and forestry;

**Contribution to cross-cutting objectives:**

This measure contributes to achievement of cross-cutting objectives related to climate change, environment protection and innovation.

**Climate change and the environment** - not using or reduced use of fertilizers and pesticides, introduction of agricultural practices that improve water retention and carbon storage and the maintenance of traditional landscapes, species and breeds.

The measure Agri-environment-climate consists of 2 sub-measures:

M10.1. Payment for agri-environment-climate commitments;

M10.2. Support to conservation of genetic resources in agriculture.

**M10.1. Payment for agri-environment-climate commitments** comprises 14 types of operation:

1.1. Tilling and sowing on the terrain with slope for arable annual plants;

1.2. Grassing of permanent crops;
1.3. Terrace maintenance;
1.4. Wide crop rotation;
1.5. Preservation of high nature value grasslands;
1.6. Pilot measure for the protection of corncrake (Crex crex);
1.7. Pilot measure for the protection of butterflies;
1.8. Establishment of field strips;
1.9. Maintaining extensive orchards;
1.10. Maintaining extensive olive groves;
1.11. Preservation of landscape features - stone walls;
1.12. Preservation of landscape features - hedges;
1.13. Planting of winter cover crop (catch crop);

M10.2. **Support to conservation of genetic resources in agriculture** comprises 3 types of operation:

2.1. Preservation of endangered autochthonous and protected breeds of domestic animals;
2.2. Preservation of endangered autochthonous and traditional varieties of agricultural plants;
2.3. Preservation, sustainable use and development of genetic resources in agriculture.

Participation in the measure is voluntary with a five-year period of compliance with the commitments, with possibility to extend commitment period for maximum two additional years. Support is in the form of annual payments per area unit or cattle head/beak as compensation to the beneficiary for loss of income and additional costs resulting from compliance with the special conditions that go beyond the minimum prescribed requirements. Beneficiaries must comply with the cross-compliance provisions as defined in Regulation EU 1306/2013 (Chapter I of Title VI), minimum activity as defined in Regulation EU 1307/2013 (article 4(1), point (c)(ii) and point (c)(iii)), minimum requirements for fertilizers including codes of good agricultural practice pursuant Directive 91/676/EEC, minimal requirements for pesticides including integrated pest management pursuant Directive 2009/128/EC and other relevant mandatory standards.

In case of amendments to the relevant mandatory standards, if the scopes of the new obligations or requirements go beyond those specified in the measure description, the beneficiary can withdraw participation in the measure without reimbursement for the period in which the obligation was in force.
Eligible beneficiaries of this measure are farmers as defined in the article 4, 1° paragraph, letter a) of the Reg. (UE) n. 1307/2013, with land registered in ARKOD (LPIS), keep domestic animals registered in the Single registry of domestic animals (SRDE). The applicable national law is Law on Agriculture.

Beneficiaries of this measure can combine types of operations as indicated in the table (see 8.2.10.6. Other important remarks relevant to understand and implement the measure). Beneficiaries from Natura 2000 areas have priority in the allocation of funds.

Minimum area of an ARKOD (LPIS) parcel for which an application can be submitted is 0,05 ha, the agricultural farm area must be at least 0,5 ha with exception of M10.1.O.8 Establishment of field strips where ARKOD parcel must be at least 1 ha.

Support was calculated for each of the type of operation separately, and is in full amount for area of 50 ha, from 50-100 ha is reduced for 4%, from 100-300 ha is reduced for 6%, from 300-500 ha is reduced for 8% and for area bigger than 500 ha is reduced for 10%.

8.2.10.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regards to the setting of selection criteria

8.2.10.3.1. O_01: Tilling and sowing on the terrain with slope for arable annual plants

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.10.3.1.1. Description of the type of operation

Focus area 4C.

Improper use of agricultural land on slope such as ploughing down the slope and leaving the soil for a long time without the cover increase the processes of erosion. Due to soil particles removal, soil fertility and productivity are reduced, causing damage on crops and eventually results in yield decline. In order to reduce the negative effects of erosion or prevent erosion entirely, it is necessary to ensure coverage with vegetation during the year, so that the root system can keep the humus layer and thus reducing the influence of intense rainfall, as well as to cultivate the vertically to the slope.

The support is granted to beneficiaries who use agro-technical measures which contribute to the protection of the most valuable soil layer- humus.

The commitments beneficiary must fulfil in this type of operation are:

1. Finishing at least 18 hours of training related to the agri-environment-climate measure within 18 months after approval of Application. Each following year the minimum of 6 hours of training, individual advice and/or attendance in demonstration activity is required;
2. Keeping record about the implemented activities related to the commitments of this operation;
3. Development of five-year fertilization plan where maximum amount of nitrogen is 80 kg N/ha;
4. Development of five-year plan of crop rotation with at least five crops;
5. Tilling and sowing vertically on the slope on arable land with a slope of 7-15%;
6. Establishment of at least one 3m wide furrow in the middle of the parcel in order to reduce water runoff.

8.2.10.3.1.2. Type of support

Support is in the form of annual payment per area unit as compensation to beneficiary for loss of income and additional costs as a result of compliance with the special conditions that go beyond the minimum prescribed requirements and usual farming practice.

8.2.10.3.1.3. Links to other legislation


Regulation (EU) No 1307/2013 of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy.

8.2.10.3.1.4. Beneficiaries

Farmer as defined in the article 4, 1° paragraph, letter a) of the Reg. (UE) n. 1307/2013 and group of farmers. The applicable national law is Law on Agriculture.

8.2.10.3.1.5. Eligible costs

The beneficiary will get compensation for extra costs and the losses in revenues resulting from tilling and sowing on arable land with slope, compared to tilling and sowing on arable land without slope.

This support is given to compensate those commitments going beyond the relevant mandatory standards established under Chapter I of Title VI of Regulation (EU) No 1306/2013 (cross-compliance), the relevant criteria and minimum activities as established under points (c) (ii) and (c) (iii) of Article 4(1) of Regulation (EU) No 1307/2013, relevant minimum requirements for fertilisers and plant protection products use, and relevant mandatory requirements established by national law.
8.2.10.3.1.6. Eligibility conditions

Arable ARKOD parcel with an average slope of 7-15%.

8.2.10.3.1.7. Principles with regards to the setting of selection criteria

Beneficiaries on the Natura 2000 sites have priority in the allocation of funds. The aim is to encourage farmers in Natura 2000 to apply for the Agri-environment-climate measure in order to minimise the negative impact of agriculture on biodiversity as much as possible.

8.2.10.3.1.8. (Applicable) amounts and support rates

Support amount is 167,43 €/ha.

8.2.10.3.1.9. Verifiability and controllability of the measures and/or types of operations

8.2.10.3.1.9.1. Risk(s) in the implementation of the measures

Compliance with the fertilization plan, crop rotation plan and other commitments.

8.2.10.3.1.9.2. Mitigating actions

At the moment of submitting the Application, beneficiary must have prepared fertilization plan and crop rotation plan for the contracted period. When on-the-spot control is conducted, it would be easy to control if plans are respected. Remote sensing control is also envisaged. To understand meaning of commitments and implication on environment if not complied with, proper training and clear instructions will be provided for the beneficiary.

8.2.10.3.1.9.3. Overall assessment of the measure

This type of operation is verifiable and controllable.

8.2.10.3.1.10. Information specific to the operation

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law.
1. the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council is established in national legislation: Ordinance on cross-compliance (Pravilnik o višestrukoj sukladnosti);

2. the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council;

3. the relevant minimum requirements for fertilisers and plant protection products use: Action Programme for Water Protection Against the Pollution Caused by Nitrates of Agricultural Origin (Akcijski program zaštite voda od onečišćenja uzrokovanog nitratima poljoprivrednog podrijetla) and Act on sustainable use of pesticides (Zakon o održivoj uporabi pesticida).

The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution; the minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites, as established by national legislation

1. The minimum requirements for fertilisers (the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution as established in national legislation: Action Programme for Water Protection Against the Pollution Caused by Nitrates of Agricultural Origin (Akcijski program zaštite voda od onečišćenja uzrokovanog nitratima poljoprivrednog podrijetla);

2. the minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites as established by national legislation: Act on sustainable use of pesticides (Zakon o održivoj uporabi pesticida).

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Not applicable.

Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 28(3) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 1307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation
Calculation was done comparing of an average farm with 3 crops in plain and farm with 3 crops on slope. Additional cost comprises 20% higher mechanization costs, cultivating two more crops, cost of fertilization plan and crop rotation plan, record keeping. The yield is lower as the area left without crop (furrow) is deducted.

The double funding will be excluded in the case of practices under Article 43 of Regulation (EU) No 1306/2013, also on the basis of the information which are contained in the delegated acts which has been produced in accordance with Article 83 of Regulation (EU) No 1305/2013.
8.2.10.3.2. O_02: Grassing of permanent crops

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.10.3.2.1. Description of the type of operation

Focus area 5D.

Intensive agricultural production affects negatively on the content of organic matter in the soil and increases greenhouse gas emissions. Sustainable land management and use of appropriate agricultural techniques will reduce the loss of organic matter from the soil and prevent the outflow of greenhouse gases.

The support shall be granted to beneficiaries who apply prescribed agricultural practices to reduce greenhouse gas emissions, prevent erosion and retain the humus layer, which increases soil fertility and biodiversity.

The commitments beneficiary must fulfil in this type of operation are:

1. Finishing at least 18 hours of training related to the agri-environment-climate measure within 18 months after approval of Application. Each following year the minimum of 6 hours of training, individual advice and/or attendance in demonstration activity is required;
2. Keeping record about the implemented activities related to the commitments of this operation;
3. Development of five-year fertilization plan where maximum amount of nitrogen is 80 kg N/ha;
4. Keeping area between the rows covered with clover grass or grass-clover mixture.

8.2.10.3.2.2. Type of support

Support is in the form of annual payments per area unit as compensation to beneficiary for loss of income and additional costs as a result of compliance with the special conditions that go beyond the minimum prescribed requirements and usual farming practice.

8.2.10.3.2.3. Links to other legislation


Regulation (EU) No 1307/2013 of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural...
8.2.10.3.2.4. Beneficiaries

Farmer as defined in the article 4, 1° paragraph, letter a) of the Reg. (UE) n. 1307/2013 and group of farmers. The applicable national law is Law on Agriculture.

8.2.10.3.2.5. Eligible costs

The beneficiary will get compensation for extra costs resulting from sowing clover-grass mixtures or grass-clover mixtures between the rows, comparing to conventional agriculture with no grass between the rows.

This support is given to compensate those commitments going beyond the relevant mandatory standards established under Chapter I of Title VI of Regulation (EU) No 1306/2013 (cross-compliance), the relevant criteria and minimum activities as established under points (c) (ii) and (c) (iii) of Article 4(1) of Regulation (EU) No 1307/2013, relevant minimum requirements for fertilisers and plant protection products use, and relevant mandatory requirements established by national law.

8.2.10.3.2.6. Eligibility conditions

ARKOD parcel registered as orchard or vineyard with an average slope of 7-15%.

8.2.10.3.2.7. Principles with regards to the setting of selection criteria

Beneficiaries on the Natura 2000 sites have priority in the allocation of funds. The aim is to encourage farmers in Natura 2000 aims to apply for Agri-environment-climate measure in order to minimise the negative impact of agriculture on biodiversity.

8.2.10.3.2.8. (Applicable) amounts and support rates

Support amount is 513 €/ha

8.2.10.3.2.9. Verifiability and controllability of the measures and/or types of operations

8.2.10.3.2.9.1. Risk(s) in the implementation of the measures

Compliance with the fertilization plan and other commitments.
8.2.10.3.2.9.2. Mitigating actions

At the moment of submitting the Application, beneficiary must have prepared fertilization plan for contracted period. When on-the-spot control is conducted, it would be easy to additionally control if plan is respected. Remote sensing control is also envisaged.

To understand meaning of commitments and implication on environment if not complied with, proper training and clear instructions will be provided for the beneficiary.

8.2.10.3.2.9.3. Overall assessment of the measure

This type of operation is verifiable and controllable.

8.2.10.3.2.10. Information specific to the operation

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law

1. The relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council is established in national legislation: Ordinance on cross-compliance (Pravilnik o višestrukoj sukladnosti);

2. The relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council;

3. The relevant minimum requirements for fertilisers and plant protection products use: Action Programme for Water Protection Against the Pollution Caused by Nitrates of Agricultural Origin (Akcijski program zaštite voda od onečišćenja uzrokovane nitratima poljoprivrednog podrijetla) and Act on sustainable use of pesticides (Zakon o održivoj uporabi pesticida).

The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution; the minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites, as established by national legislation

1. The minimum requirements for fertilisers (the Codes of Good Practice introduced under Directive
91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution as established in national legislation: Action Programme for Water Protection Against the Pollution Caused by Nitrates of Agricultural Origin (Akcijski program zaštite voda od onečišćenja uzrokovanog nitratima poljoprivrednog podrijetla);

2. the minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites as established by national legislation: Act on sustainable use of pesticides (Zakon o održivoj uporabi pesticida).

<table>
<thead>
<tr>
<th>List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion</th>
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<tbody>
<tr>
<td>Not applicable.</td>
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Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 28(3) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 1307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation

Calculation was done taking into account additional cost for inter-row sowing, mulching, cost of fertilization plan and record keeping.

The double funding will be excluded in the case of practices under Article 43 of Regulation (EU) No 1306/2013, also on the basis of the information which are contained in the delegated acts which has been produced in accordance with Article 83 of Regulation (EU) No 1305/2013.
8.2.10.3.3. O_03: Terrace maintenance

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.10.3.3.1. Description of the type of operation

Focus area 4C

Terraces are the traditional part of the cultural landscape, usually covered with vineyards and olive groves. However, currently farmers tend to abandon existing terraces due to high costs of cultivation and maintenance.

The terraces prevent erosion by shortening the long slope into a series of shorter levels. The support shall be granted to beneficiaries who contribute to the prevention of soil erosion by enhancing the sustainability of existing terraces. The commitments beneficiary must fulfil in this type of operation are:

1. Finishing at least 18 hours of training related to the agri-environment-climate measure within 18 months after approval of Application. Each following year the minimum of 6 hours of training, individual advice and/or attendance in demonstration activity is required;
2. Keeping record about the implemented activities related to the commitments of this operation;
3. Development of five-year fertilization plan where maximum amount of nitrogen is 80 kg N/ha;
4. Improvement of terrace during the five year period using traditional materials and in traditional manner for the respected area;
5. Natural vegetation should be maintained without any woody plants on the edges of the terrace width of 1 m and on the slope of the terrace, where appropriate. In the same area, it is not allowed to spray plant protection products and the vegetation must be cut at least once a year. Terrace area throughout the year must be covered with vegetation.

8.2.10.3.3.2. Type of support

Support is in the form of annual payments per area unit as compensation to beneficiary for loss of income and additional costs as a result of compliance with the special conditions that go beyond the minimum prescribed requirements and usual farming practice.

Support is possible only for those terraces which are preserved for at least 75%.

8.2.10.3.3.3. Links to other legislation


direct payments to farmers under support schemes within the framework of the common agricultural policy.

8.2.10.3.3.4. Beneficiaries

Farmer as defined in the article 4, 1° paragraph, letter a) of the Reg. (UE) n. 1307/2013 and group of farmers. The applicable national law is Law on Agriculture.

8.2.10.3.3.5. Eligible costs

The beneficiary will get compensation for extra costs resulting from specific way of cultivation and for loss of revenue. The yield is reduced due to lower density compared to conventional production and loss of productive area.

This support is given to compensate those commitments going beyond the relevant mandatory standards established under Chapter I of Title VI of Regulation (EU) No 1306/2013 (cross-compliance), the relevant criteria and minimum activities as established under points (c) (ii) and (c) (iii) of Article 4(1) of Regulation (EU) No 1307/2013, relevant minimum requirements for fertilisers and plant protection products use, and relevant mandatory requirements established by national law.

8.2.10.3.3.6. Eligibility conditions

ARKOD parcel registered as the terrace.

8.2.10.3.3.7. Principles with regards to the setting of selection criteria

Beneficiaries on the Natura 2000 sites have priority in the allocation of funds. The aim is to encourage farmers in Natura 2000 aims to apply for Agri-environment-climate measure in order to minimise the negative impact of agriculture on biodiversity.

8.2.10.3.3.8. (Applicable) amounts and support rates

Support amount is:

- olive production - 545,17 €/ha
- vineyard production - 472,19 €/ha
8.2.10.3.3.9. Verifiability and controllability of the measures and/or types of operations

8.2.10.3.3.9.1. Risk(s) in the implementation of the measures

Compliance with fertilization plan, maintenance and control if maintenance is done using traditional materials and in traditional manner for the respected area and other commitments.

8.2.10.3.3.9.2. Mitigating actions

At the moment of submitting the Application, beneficiary must have prepared fertilization plan for contracted period. When on-the-spot control is conducted, it would be easy to control if plan is respected. Remote sensing control is also envisaged.

To understand meaning of commitments and implication on environment if not complied with, proper training and clear instructions will be provided for the beneficiary. Guidance describing characteristic features of terraces in Croatia will be at disposal to beneficiaries when implementation of the operation begins.

8.2.10.3.3.9.3. Overall assessment of the measure

This type of operation is verifiable and controllable.

8.2.10.3.3.10. Information specific to the operation

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law

1. the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council is established in national legislation: Ordinance on cross-compliance (Pravilnik o višestrukoj sukladnosti);

2. the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council;

3. the relevant minimum requirements for fertilisers and plant protection products use: Action Programme for Water Protection Against the Pollution Caused by Nitrates of Agricultural Origin (Akcijski program zaštite voda od onečišćenja uzrokovano nitratima poljoprivrednog podrijetla) and Act on sustainable use of pesticides (Zakon o održivoj uporabi pesticida).
The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution; the minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites, as established by national legislation

1. The minimum requirements for fertilisers (the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution as established in national legislation: Action Programme for Water Protection Against the Pollution Caused by Nitrates of Agricultural Origin (Akcijski program zaštite voda od onečišćenja uzrokovanog nitratima poljoprivrednog podrijetla));

2. the minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites as established by national legislation: Act on sustainable use of pesticides (Zakon o održivoj uporabi pesticida).

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Not applicable.

Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 28(3) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 1307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation

Calculation was done comparing conventional production on plane with production on terraces. The costs are higher due to limited possibility to use conventional cultivation methods and mechanization, while the yield is lower because decreased plant density and decreased productive area. Costs for record keeping and fertilization plan development were added.

The double funding will be excluded in the case of practices under Article 43 of Regulation (EU) No 1306/2013, also on the basis of the information which are contained in the delegated acts which has been produced in accordance with Article 83 of Regulation (EU) No 1305/2013.
8.2.10.3.4. O_04: Wide crop rotation

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.10.3.4.1. Description of the type of operation

Focus area 4C

Traditional crop rotation in Croatia includes a small proportion of leguminous plants and clover-grass mixtures. It is estimated that only 3% of farmers practice wider crop rotation with more than 3 crops. Wide crop rotation not only prevents soil erosion, but also stimulates overall biodiversity due to the presence of a large number of plant species, with different needs for nutrients and water thus enabling better utilization of nutrients and moisture from the soil. At the same time wide crop rotation enhances favourable soil structure and humus level.

The support shall be granted to beneficiaries who decide to include additional cultures to crop rotation, and thereby improve the overall management of soil.

The commitments beneficiary must fulfil in this type of operation are:

1. Finishing at least 18 hours of training related to the agri-environment-climate measure within 18 months after approval of Application. Each following year the minimum of 6 hours of training, individual advice and/or attendance in demonstration activity is required;
2. Keeping record about the implemented activities related to the commitments of this operation;
3. Development of five-year fertilization plan;
4. Development of five-year plan of crop rotation with at least six crops.

8.2.10.3.4.2. Type of support

Support is in the form of annual payments per area unit as compensation to beneficiary for loss of income and additional costs as a result of compliance with the special conditions that go beyond the minimum prescribed requirements and usual farming practice.

8.2.10.3.4.3. Links to other legislation

Regulation (EU) No 1307/2013 of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy.

8.2.10.3.4.4. Beneficiaries

Farmer as defined in the article 4, 1° paragraph, letter a) of the Reg. (UE) n. 1307/2013 and group of farmers. The applicable national law is Law on Agriculture.

8.2.10.3.4.5. Eligible costs

The beneficiary will get compensation for extra costs and the losses in revenues resulting from establishing additional crops in crop rotation.

This support is given to compensate those commitments going beyond the relevant mandatory standards established under Chapter I of Title VI of Regulation (EU) No 1306/2013 (cross-compliance), the relevant criteria and minimum activities as established under points (c) (ii) and (c) (iii) of Article 4(1) of Regulation (EU) No 1307/2013, relevant minimum requirements for fertilisers and plant protection products use, and relevant mandatory requirements established by national law.

8.2.10.3.4.6. Eligibility conditions

ARKOD parcel registered as arable land.

8.2.10.3.4.7. Principles with regards to the setting of selection criteria

Beneficiaries on the Natura 2000 sites have priority in the allocation of funds. The aim is to encourage farmers in Natura 2000 aims to apply for Agri-environment-climate measure in order to minimise the negative impact of agriculture on biodiversity.

8.2.10.3.4.8. (Applicable) amounts and support rates

Support amount is 256 €/ha
8.2.10.3.4.9. Verifiability and controllability of the measures and/or types of operations

8.2.10.3.4.9.1. Risk(s) in the implementation of the measures

Compliance with the fertilization plan and crop rotation plan and other commitments.

8.2.10.3.4.9.2. Mitigating actions

At the moment of submitting the Application, beneficiary must have prepared fertilization plan and crop rotation plan for the contracted period. When on-the-spot control is conducted, it would be easy to control if plans are respected. Remote sensing control is also envisaged.

To understand meaning of commitments and implication on environment if not complied with, proper training and clear instructions will be provided for the beneficiary.

8.2.10.3.4.9.3. Overall assessment of the measure

This type of operation is verifiable and controllable.

8.2.10.3.4.10. Information specific to the operation

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law

1. the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council is established in national legislation: Ordinance on cross-compliance (Pravilnik o višestrukoj sukladnosti);
2. the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council;
3. the relevant minimum requirements for fertilisers and plant protection products use: Action Programme for Water Protection Against the Pollution Caused by Nitrates of Agricultural Origin (Akcijski program zaštite voda od onečišćenja uzrokovanog nitratima poljoprivrednog podrijetla) and Act on sustainable use of pesticides (Zakon o održivoj uporabi pesticida).

The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution; the minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking
of application machinery and rules on pesticide use close to water and other sensitive sites, as established by national legislation

1. The minimum requirements for fertilisers (the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution as established in national legislation: Action Programme for Water Protection Against the Pollution Caused by Nitrates of Agricultural Origin (Akcijski program zaštite voda od onečišćenja uzrokovano nijatima poljoprivrednog podrijetla);

2. the minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites as established by national legislation: Act on sustainable use of pesticides (Zakon o održivoj uporabi pesticida).

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Not applicable.

Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 28(3) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 1307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation

Calculation was done comparing of an average farm with 3 crops and farm with 6 crops in crop rotation. Additional cost comprises costs of cultivating three more crops, cost of fertilization plan and crop rotation plan, record keeping. The difference in revenue was expressed as support amount.

The double funding will be excluded in the case of practices under Article 43 of Regulation (EU) No 1306/2013, also on the basis of the information which are contained in the delegated acts which has been produced in accordance with Article 83 of Regulation (EU) No 1305/2013.
8.2.10.3.5. O_05: Preservation of high nature value grasslands

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.10.3.5.1. Description of the type of operation

Focus area 4A

Numerous habitats and protected species whose survival depended primarily on agricultural activities are found in agricultural areas. Nearly all grassland areas in Croatia were formed as a result of human activity. Forest areas were cleared, and the grasslands were maintained by mowing or grazing, extensive animal husbandry was developed. At the end of the last century due to the abandonment of this type of livestock farming, a natural process of succession occurred. Long-term depopulation has led to changes in the local economy, landscape characteristics of the area and the disappearance of open landscape important for migratory birds. The problem is particularly pronounced in the grasslands of high nature value, particularly in karst mountainous areas where bushes suppress valuable grassland species adapted to survival in the soil or in holes between rocks with very little water.

The support shall be granted to beneficiaries who maintain HNV grasslands and contribute to the conservation of biodiversity and prevent further loss of habitat.

High nature value grasslands on which the type of operation is to be implemented are divided into three regions:

1. Continental lowland region

Up to 200 meters above sea level.

This region covers the entire lowland of continental Croatia up to 200 meters above sea level.

2. Hill and mountain region

Above 200 meters above sea level.

The region includes the entire hill and mountain area of the continental Croatia situated above 200 meters above sea level, and in the vegetation sense, all the areas above the flood forests zone.

3. Mediterranean region

This region includes the Mediterranean area of Croatia up to 200 meters above sea level, and all the islands.

Definition of the High nature value grasslands

For the determination of these areas the definition of agricultural land with high natural values was developed, and accepted by the European Environment Agency (EEA). According to this definition, the agricultural land with high natural value consists of those areas in Europe where agriculture is the main
mode (usually the dominant) of land use and where that agriculture supports or is associated with a great diversity of species and habitats and the presence of species that are of special interest for conservation in Europe, or both (Andersen et al., 2003). Three main types of agricultural land were identified of great natural value and high nature value grasslands belongs to the type 1 - agricultural land with a large proportion of Semi-natural or natural vegetation.

Habitant types of the High nature value grasslands

Grassland areas with high natural values will be are defined on the LAU2 level, corresponding to a “jedinica lokalne samouprave” (JLS) in Croatia. Croatia comprises 556 self-government JLS units, subdivided in 429 municipalities and 127 towns, and are presented on the map and as a list. These grasslands will include the following habitat types:

- 6170 – Mountain and PERYMOUNTAIN calcareous grasslands;
- 6220 - Eumediterranean grasslands Thero-brachipodetalia;
- 62A0 - Eastern sub-Mediterranean dry grasslands (Scorzoneralia villosae);
- 6510 - Lowland hay meadows (Alopecurus pratensis, Sanguisorba officinalis);
- PAL CLASS 37.2 - Nitrophilic wet grasslands and pastures;
- 6210 - Dry continental grasslands (Festuca-Brometalia);
- 6230 - Lawn tvrdače (Nardus) rich species and;
- 6540 - Mediterranean humid low clover lawns order Trifolio-Hordeetalia.


The commitments beneficiary must fulfill in this type of operation are:

1. Finishing at least 18 hours of training related to the agri-environment-climate measure within 18 months after approval of Application. Each following year the minimum of 6 hours of training, individual advice and/or attendance in demonstration activity is required;
2. Keeping record about the implemented activities related to the commitments of this operation;
3. Fertilization using inorganic or organic animal fertilizers is not allowed as well as use of plant protection products;
4. Mowing manually or using finger-bar mower, on dates and frequency are determined according to regions. Cut grass must be removed from the grassland within 15 days in order to preserve biodiversity and prevent the nutrients leaching into the soil;
5. If the grassland is used for grazing, maximum 1.5 LU/ha of sheep, goats, cattle and equidae are allowed;

6. Flooded grasslands can be used for grazing two weeks after the water withdrawal at the earliest;

7. Plants not suitable for grazing (e.g. toxic and invasive species, shrubbery and trees) should be removed manually. Up to 10% of the surface can be covered with "islands" of shrubs and trees (called "plandišta") to provide shelter for livestock from heat, wind and gadflies;

8. Correcting soil acidity and hydromeliorative actions are not allowed;

9. Additional seeding of the grassland is not allowed, except by seed dispersal from cut grass (hay), in a way that the grass is left for 20 days after mowing on areas of the grassland that need additional seeding.

<table>
<thead>
<tr>
<th>Mowing schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start of mowing</td>
</tr>
<tr>
<td>1 August</td>
</tr>
<tr>
<td>20 July</td>
</tr>
<tr>
<td>15 July</td>
</tr>
</tbody>
</table>

8.2.10.3.5.2. Type of support

Support is in the form of annual payments per area unit as compensation to beneficiary for loss of income and additional costs as a result of compliance with the special conditions that go beyond the minimum prescribed requirements and usual farming practice.

8.2.10.3.5.3. Links to other legislation

Nature Protection Act (OG No. 80/13)


Regulation (EU) No 1307/2013 of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy
8.2.10.3.5.4. Beneficiaries

Farmer as defined in the article 4, 1° paragraph, letter a) of the Reg. (UE) n. 1307/2013 and group of farmers. The applicable national law is Law on Agriculture. Also, other land managers can apply.

8.2.10.3.5.5. Eligible costs

The beneficiary will get compensation for extra costs and the losses in revenues resulting from maintaining the grassland pursuant prescribed commitments that go beyond the usual practice. This support is given to compensate those commitments going beyond the relevant mandatory standards established under Chapter I of Title VI of Regulation (EU) No 1306/2013 (cross-compliance), the relevant criteria and minimum activities as established under points (c) (ii) and (c) (iii) of Article 4(1) of Regulation (EU) No 1307/2013, relevant minimum requirements for fertilisers and plant protection products use, and relevant mandatory requirements established by national law.

8.2.10.3.5.6. Eligibility conditions

ARKOD parcel registered as high nature value grassland.

8.2.10.3.5.7. Principles with regards to the setting of selection criteria

Beneficiaries on the Natura 2000 sites have priority in the allocation of funds. The aim is to encourage farmers in Natura 2000 aims to apply for Agri-environment-climate measure in order to minimise the negative impact of agriculture on biodiversity.

8.2.10.3.5.8. (Applicable) amounts and support rates

Support for continental lowland region is 183 €/ha, hill and mountain region 147 €/ha and for mediterranean region is 102 €/ha.

8.2.10.3.5.9. Verifiability and controllability of the measures and/or types of operations

8.2.10.3.5.9.1. Risk(s) in the implementation of the measures

Compliance with commitments related to mowing, grazing, not using fertilizers or plant protection products, removal of cut grass and other.
8.2.10.3.5.9.2. Mitigating actions

Record keeping will help if on-the-spot control is conducted, remote sensing control is also envisaged.

To understand meaning of commitments and implication on environment if not complied with, proper training and clear instructions will be provided for the beneficiary.

For potential beneficiaries of this operation additional training related to the operation specific commitments will be prepared and financed through Natura 2000 Integration Project.

8.2.10.3.5.9.3. Overall assessment of the measure

This type of operation is verifiable and controllable.

8.2.10.3.5.10. Information specific to the operation

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law

1. the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council is established in national legislation: Ordinance on cross-compliance (Pravilnik o višestrukoj sukladnosti);

2. the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council;

3. the relevant minimum requirements for fertilisers and plant protection products use: Action Programme for Water Protection Against the Pollution Caused by Nitrates of Agricultural Origin (Akcijski program zaštite voda od onečišćenja uzrokovano nitratima poljoprivrednog podrijetla) and Act on sustainable use of pesticides (Zakon o održivoj uporabi pesticida).

The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution; the minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites, as established by national legislation

1. The minimum requirements for fertilisers (the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution; the minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites, as established by national legislation.
pollution as established in national legislation: Action Programme for Water Protection Against the Pollution Caused by Nitrates of Agricultural Origin (Akcijski program zaštite voda od onečišćenja uzrokovanih nitratima poljoprivrednog podrijetla).

2. the minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites as established by national legislation: Act on sustainable use of pesticides (Zakon o održivoj uporabi pesticida).

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Not applicable.

Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 28(3) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 1307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation

The payment was calculated comparing usual farming practice in each region and taking into account later mowing date as well as prohibition to use fertilizers and plant protection products, leading to loss of hay quality and hay yield. On the other hand, savings resulting from omitting the fertilization and machinery were included in calculation. Transaction cost for record keeping and cost of replacement worker while beneficiary attends training were added.

The double funding will be excluded in the case of practices under Article 43 of Regulation (EU) No 1306/2013, also on the basis of the information which are contained in the delegated acts which has been produced in accordance with Article 83 of Regulation (EU) No 1305/2013.
8.2.10.3.6. O_06: Pilot measure for the protection of corncrake (Crex crex)

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.10.3.6.1. Description of the type of operation

Focus area 4A.

As a result of the intensification and / or abandonment of agricultural land in Croatia, as well as in other parts of Europe, the number of corncrakes over the last 20 years has been drastically reduced. Much of the wetland grassland was drained and turned into arable land. In many fields, instead of hay silage is produced so such meadows are early mowed. Because of that the birds remain without shelter and nests and eggs are destroyed. Also, because grass areas are being neglected and overgrown birds remain without nesting areas. Improper mowing causes large losses of birds which are nesting and living among the meadow vegetation. Most hay meadows today are mowed with fast mowers that cause high mortality of birds that live among meadow vegetation. Birds at risk rarely opt to escape but try to hide in the grass waiting for the danger to be gone.

Young birds that cannot fly fail to escape the fast-mowers, while mowing at the time when the birds are sitting on eggs is also making extensive damage.

High natural value grassland areas within SPA, where is Corncrake territory are defined at the level of habitat boundaries and are shown on the map and as a list.

Corncrake (Crex crex) in Croatia is strictly protected bird that lives in wet meadows, and is listed on Appendix I of the EU Birds Directive. Number of the corncrake in Croatia is estimated at 500-1100 individuals. The areas with the highest number of these birds are flood and wet meadows and swampy meadows along the river Sava (including Turopolje, Lonjsko and Mokro polje), Drava and Danube and the area along the river Kupa.

On agricultural land in SBA declared by Regulation on the Ecological Network (OG 124/13): NP Plitvička jezera, Velebit, Cetina, Donja Posavina, Gorski kotar i sjeverna Lika, Lička krška polja, Papuk, Turopolje, Učka i Ćićarija te Pokupski bazen, mowing must be finished by 15th of September. On agricultural land in pSCI declared by Regulation on the Ecological Network (OG 124/13): Wet meadows along the stream of Brac (Zonta), wet meadows along the stream Malinska, wet meadows in Marusic, wet meadows along the the stream Jugovski (Štrcaj), Mirna also a wider area Butonige and Pregon, mowing must be finished till 1st of October.

The support shall be granted to beneficiaries who maintain mowing in a specific period, thus contributing to the protection of the corncrake which inhabits moist habitats, and is listed in the Council Directive 79/409/EEC; 2009/147/EC, Annex I.

The commitments beneficiary must fulfil in this type of operation are:

1. Finishing at least 18 hours of training related to the agri-environment-climate measure within 18 months after approval of Application. Each following year the minimum of 6 hours of training,
individual advice and/or attendance in demonstration activity is required;

2. Keeping record about the implemented activities related to the commitments of this operation;

3. Fertilization using inorganic or organic animal fertilizers as well as use of plant protection products is not allowed;

4. First mowing should be done after 15th August, at least one and maximum two times a year; manually or using finger-bar mower, at the height of minimum 10 cm above the ground. Individual plants that are not suitable for grazing (e.g. toxic and invasive species, shrubbery and trees) should be removed manually;

5. On parcels larger than 1 ha an uncut strip (5% of the area) should be left along the edge and mowing should be done from the middle of the parcel in circles towards the outside or from one side of the parcel to the other;

6. Cut grass must be removed from the grassland within 15 days in order to preserve biodiversity and prevent the nutrients leaching into the soil;

7. If the grassland is used for grazing, it can be grazed only in autumn (at the earliest from mowing until the end of the current year); maximum 1,5 LU/ha of sheep, goats, cattle and equidae are allowed;

8. Correcting soil acidity and hydromeliorative actions are not allowed;

9. Additional seeding of the grassland is not allowed, except by seed dispersal from cut grass (hay), in a way that the grass is left for 20 days after mowing on areas of the grassland that need additional seeding.

8.2.10.3.6.2. Type of support

Support is in the form of annual payments per area unit as compensation to beneficiary for loss of income and additional costs as a result of compliance with the special conditions that go beyond the minimum prescribed requirements and usual farming practice.

8.2.10.3.6.3. Links to other legislation

Nature Protection Act (OG 80/13).

Regulation on the Ecological Network (OG 124/13).

Ordinance on conservation objectives and conservation measures for birds in Special Protection Areas (OG 15/2014).


Regulation (EU) No 1307/2013 of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy.
8.2.10.3.6.4. Beneficiaries
Farmer as defined in the article 4, 1° paragraph, letter a) of the Reg. (UE) n. 1307/2013 and group of farmers. The applicable national law is Law on Agriculture. Also, other land managers can apply.

8.2.10.3.6.5. Eligible costs
The beneficiary will get compensation for extra costs and the losses in revenues resulting from maintaining the grassland pursuant prescribed commitments that go beyond the usual practice. This support is given to compensate those commitments going beyond the relevant mandatory standards established under Chapter I of Title VI of Regulation (EU) No 1306/2013 (cross-compliance), the relevant criteria and minimum activities as established under points (c) (ii) and (c) (iii) of Article 4(1) of Regulation (EU) No 1307/2013, relevant minimum requirements for fertilisers and plant protection products use, and relevant mandatory requirements established by national law.

8.2.10.3.6.6. Eligibility conditions
ARKOD parcel registered as a high nature value grassland and habitat of corncrake (Crex crex)

8.2.10.3.6.7. Principles with regards to the setting of selection criteria
Beneficiaries on the Natura 2000 sites have priority in the allocation of funds. The aim is to encourage farmers in Natura 2000 aims to apply for the Agri-environment-climate measure in order to minimise the negative impact of agriculture on biodiversity.

8.2.10.3.6.8. (Applicable) amounts and support rates
Support amount is 244 €/ha

8.2.10.3.6.9. Verifiability and controllability of the measures and/or types of operations
8.2.10.3.6.9.1. Risk(s) in the implementation of the measures
Compliance with commitments related to mowing, grazing, not using fertilizers or plant protection products, removal of cut grass and other.
8.2.10.3.6.9.2. Mitigating actions

Record keeping will help if on-the-spot control is conducted, remote sensing control is also envisaged.

To understand meaning of commitments and implication on environment if not complied with, proper training and clear instructions will be provided for the beneficiary.

For potential beneficiaries of this operation additional training related to the operation specific commitments will be prepared and financed through Natura 2000 Integration Project.

8.2.10.3.6.9.3. Overall assessment of the measure

This type of operation is verifiable and controllable.

8.2.10.3.6.10. Information specific to the operation

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law

1. the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council is established in national legislation: Ordinance on cross-compliance (Pravilnik o višestrukoj sukladnosti);

2. the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council;

3. the relevant minimum requirements for fertilisers and plant protection products use: Action Programme for Water Protection Against the Pollution Caused by Nitrates of Agricultural Origin (Akcijski program zaštite voda od onečišćenja uzrokovanog nitratima poljoprivrednog podrijetla) and Act on sustainable use of pesticides (Zakon o održivoj uporabi pesticida).

The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution; the minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites, as established by national legislation

1. The minimum requirements for fertilisers (the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous
pollution as established in national legislation: Action Programme for Water Protection Against the Pollution Caused by Nitrates of Agricultural Origin (Akcijski program zaštite voda od onečišćenja uzrokovanih nitratima poljoprivrednog podrijetla);

2. the minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites as established by national legislation: Act on sustainable use of pesticides (Zakon o održivoj uporabi pesticida).

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Not applicable.

Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 28(3) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 1307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation

The payment was calculated comparing usual farming practice and taking into account later mowing date, cutting at increased height, as well as prohibition to use fertilizers and plant protection products, leading to loss of hay quality and hay yield. On the other hand, savings resulting from omitting the fertilization and machinery were included in calculation. Transaction cost for record keeping and cost of replacement worker while beneficiary attends training were added.

The double funding will be excluded in the case of practices under Article 43 of Regulation (EU) No 1306/2013, also on the basis of the information which are contained in the delegated acts which has been produced in accordance with Article 83 of Regulation (EU) No 1305/2013.
8.2.10.3.7. O_07: Pilot measure for the protection of butterflies

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.10.3.7.1. Description of the type of operation

Focus area 4A

This operation aims to protect four species of endangered and strictly protected species of butterflies: the large blue butterfly (Phenagris teleius), smoky blue butterfly (Phenagris nausithous), wetland pumice (Phenagris Alcon Alcon) and wetland ringlet (Coenonympha oedippus) who dwell on extensively used grasslands. Due to the abandonment of traditional livestock production and ceasing of grazing or abandonment of meadows mowing, meadows and pastures become overgrown (succession).

Butterflies of genus Phenagris are exceptional for their extremely complex and sensitive life cycle. Some butterfly species lay eggs only on certain plants (ovoposition plants). For the large blue butterfly and smoky blue butterfly that plant is great burnet (Sanguisorba officinalis), which blooms in the summer on lowland hay meadows. These hay meadows are endangered habitat type on a national and international level. For Phengaris alcon alcon ovoposition plant is the marsh gentian (Gentiana pneumoananthe) which occurs in Molinia meadows (Molinion caeruleae).

Wetland Plavac was noted in only a few locations in Croatia, for example in the area of Plitvice Lakes National Park and Papuk, and for large and smoky blue butterfly the most important sites are in Međimurje and Drava. Outstanding feature of butterfly’s life cycle of the genus Phengaris represents a symbiosis with ants of the genus Myrmica in the caterpillar stage (Myrmecophily).

For wetland arguses ovoposition plants are sedges and certain grasses. Swamp meadows of northern Istria are now the only known site of wetland arguses in Croatia.

The support shall be granted to beneficiaries who maintain an adapted way of mowing grasslands during specific period, thus contributing to the protection of habitats where butterflies live.

The commitments beneficiary must fulfil in this type of operation are:

1. Finishing at least 18 hours of training related to the agri-environment-climate measure within 18 months after approval of Application. Each following year the minimum of 6 hours of training, individual advice and/or attendance in demonstration activity is required;
2. Keeping record about the implemented activities related to the commitments of this operation;
3. Fertilization using inorganic or organic animal fertilizers as well as use of plant protection products is not allowed;
4. Mowing dates are as prescribed in a table below, at least one and maximum two times a year; manually or using finger- bar mower. Individual plants that are not suitable for grazing (e.g. toxic and invasive species, shrubbery and trees) should be removed manually;
5. Cut grass must be removed from the grassland within 15 days in order to preserve biodiversity and prevent the nutrients leaching into the soil;
6. If the grassland is used for grazing, it can be grazed only in autumn (at the earliest from mowing date 05.09. until the end of the current year); maximum 1.0 LU/ha of sheep, goats, cattle and equidae are allowed;

7. Correcting soil acidity and hydromeliorative actions are not allowed;

8. Additional seeding of the grassland is not allowed, except by seed dispersal from cut grass (hay), in a way that the grass is left for 20 days after mowing on areas of the grassland that need additional seeding.

<table>
<thead>
<tr>
<th>Type</th>
<th>Area name</th>
<th>Date and mode of mowing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phengaris alcon alcon</td>
<td>Meadows along the Inajica creek, Zvečevko, NP The Plitvice Lakes, meadows along Bednja II</td>
<td>mowing after 15th September every second year</td>
</tr>
<tr>
<td>Coenonympha oedippus</td>
<td>Humid meadows along the Malinska creek, wider area around the river Mirna and Butoniga, humid meadows around Marušić, humid meadows along Jugovski creek, humid meadows along the Bračana (Žont) creek, Pregona</td>
<td>mowing after 15th September on 1/3 of the area every year.</td>
</tr>
<tr>
<td>Phengaris nautius</td>
<td>Zovje, Međimurje, Donje Međimurje</td>
<td>mowing up to 15th June or after 15th September every second year</td>
</tr>
<tr>
<td>Phengaris teleius</td>
<td>Peteranec, Zovje, Međimurje, Donje Međimurje, Livade uz Bednju II</td>
<td>mowing up to 15th June or after 15th September every second year</td>
</tr>
</tbody>
</table>

8.2.10.3.7.2. Type of support

Support is in the form of annual payments per area unit as compensation to beneficiary for loss of income and additional costs as a result of compliance with the special conditions that go beyond the minimum prescribed requirements and usual farming practice.

8.2.10.3.7.3. Links to other legislation

Nature Protection Act (OG 80/13)
Regulation on the Ecological Network (OG 124/13)


Regulation (EU) No 1307/2013 of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy

8.2.10.3.7.4. Beneficiaries

Farmer as defined in the article 4, 1° paragraph, letter a) of the Reg. (UE) n. 1307/2013 and group of farmers. The applicable national law is Law on Agriculture. Also, other land managers can apply.

8.2.10.3.7.5. Eligible costs

The beneficiary will get compensation for extra costs and the losses in revenues resulting from maintaining the grassland pursuant prescribed commitments that go beyond the usual practice. This support is given to compensate those commitments going beyond the relevant mandatory standards established under Chapter I of Title VI of Regulation (EU) No 1306/2013 (cross-compliance), the relevant criteria and minimum activities as established under points (c) (ii) and (c) (iii) of Article 4(1) of Regulation (EU) No 1307/2013, relevant minimum requirements for fertilisers and plant protection products use, and relevant mandatory requirements established by national law.

8.2.10.3.7.6. Eligibility conditions

ARKOD parcel registered as grassland and located at the sites listed in the table Mowing dates.

8.2.10.3.7.7. Principles with regards to the setting of selection criteria

Beneficiaries on the Natura 2000 sites have priority in the allocation of funds. The aim is to encourage farmers in Natura 2000 aims to apply for the Agri-environment-climate measure in order to minimise the negative impact of agriculture on biodiversity.

8.2.10.3.7.8. (Applicable) amounts and support rates

Support rate for Coenonympha oedippus is 326 €/ha, for Phenagris alcon alcon, Phenagris nausithous, Phenagris teleius is 274 €/ha.
8.2.10.3.7.9. Verifiability and controllability of the measures and/or types of operations

8.2.10.3.7.9.1. Risk(s) in the implementation of the measures

Compliance with commitments related to mowing, grazing, not using fertilizers or plant protection products, removal of cut grass and other.

8.2.10.3.7.9.2. Mitigating actions

Record keeping will help if on-the-spot control is conducted, remote sensing control is also envisaged.

To understand meaning of commitments and implication on environment if not complied with, proper training and clear instructions will be provided for the beneficiary.

For beneficiaries of this operation additional training related to the operation specific commitments will be prepared and financed through Natura 2000 Integration Project.

8.2.10.3.7.9.3. Overall assessment of the measure

This type of operation is verifiable and controllable.

8.2.10.3.7.10. Information specific to the operation

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law

1. the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council is established in national legislation: Ordinance on cross-compliance (Pravilnik o višestrukoj sukladnosti);
2. the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council;
3. the relevant minimum requirements for fertilisers and plant protection products use: Action Programme for Water Protection Against the Pollution Caused by Nitrates of Agricultural Origin (Akcijski program zaštitne vode od onečišćenja uzrokovanog nitratima poljoprivrednog podrijetla) and Act on sustainable use of pesticides (Zakon o održivoj uporabi pesticida).

The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution; the minimum requirements for plant protection products use must include, inter alia,
general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites, as established by national legislation

1. The minimum requirements for fertilisers (the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution as established in national legislation: Action Programme for Water Protection Against the Pollution Caused by Nitrates of Agricultural Origin (Akcijski program zaštite voda od onečišćenja uzrokovanih nitratima poljoprivrednog podrijetla);

2. The minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirement on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites as established by national legislation: Act on sustainable use of pesticides (Zakon o održivoj uporabi pesticida).

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Not applicable.

Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 28(3) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 1307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation

The payment was calculated comparing usual farming practice and taking into account later mowing date, prohibition to use fertilizers and plant protection products, temporary set-aside part of grassland, all leading to loss of hay quality and hay yield. On the other hand, savings resulting from omitting the fertilization and machinery were included in calculation. Transaction cost for record keeping and cost of replacement worker while beneficiary attends training were added.

The double funding will be excluded in the case of practices under Article 43 of Regulation (EU) No 1306/2013, also on the basis of the information which are contained in the delegated acts which has been produced in accordance with Article 83 of Regulation (EU) No 1305/2013.
8.2.10.3.8. O_08: Establishment of field strips

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.10.3.8.1. Description of the type of operation

Focus area 4A.

Intensification of agricultural production affects negatively the biodiversity on agricultural land. Numerous habitats and protected species live in the hedges, their existence depending largely on agricultural activities.

The support shall be granted to beneficiaries who contribute to habitat protection of plant and animal species in order to improve landscape quality and increase overall biodiversity.

Support is provided for two types of field strips:

1. Flower strips, whose primary function is to provide habitat for pollinators and to provide pollen and nectar during spring and summer,
2. Grass strips, whose primary function is to provide habitat for certain species of birds such as Corn Bunting (Emberiza calandra), Grey Partridge (Perdix perdix) and Yellowhammer (Emberiza citrinella).

This type of operation is applicable if parcel area is at least 1 ha.

The commitments beneficiary must fulfil in this type of operation are:

1. Finish at least 18 hours of training related to the agri-environment-climate measure within 18 months after approval of Application. Each following year the minimum of 6 hours of training, individual advice and/or attendance in demonstration activity is required;
2. Keep record about the implemented activities related to the commitments of this operation;
3. Fertilization using inorganic or organic animal fertilizers or plant protection products on strips is prohibited;
4. If flower strips opted: flower strips should be sown along the edge or within the parcel and are not to be used as a path or passage, width at least 3 m, maximum 15 m; length at least 200 m per hectare; distance between strips at least 50 m. Strips should contain at least five flower species (species to be prescribed) that bloom alternately throughout the growing period. Strips must be left to bloom and can be ploughed the following spring. Position of the strips can be changed every year;
5. If grass strips opted: grass strips should be sown along the edge of the parcel and are not to be used as a path or passage, width at least 2 m, maximum 3 m; length at least 200 m per hectare; distance between strips at least 50 m. Strips should contain at least five grass types (types to be prescribed). In first year, strips need to be mowed 2-3 times to prevent weed growth and encourage tillering, after that strips should be mowed in fall every third year after grass seeds.
8.2.10.3.8.2. Type of support

Support is in the form of annual payments per area unit as compensation to beneficiary for loss of income and additional costs as a result of compliance with the special conditions that go beyond the minimum prescribed requirements and usual farming practice.

8.2.10.3.8.3. Links to other legislation


Regulation (EU) No 1307/2013 of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy.

8.2.10.3.8.4. Beneficiaries

Farmer as defined in the article 4, 1° paragraph, letter a) of the Reg. (UE) n. 1307/2013 and group of farmers. The applicable national law is Law on Agriculture.

8.2.10.3.8.5. Eligible costs

The beneficiary will get compensation for extra costs and losses in revenue resulting from establishing the field strips.

This support is given to compensate those commitments going beyond the relevant mandatory standards established under Chapter I of Title VI of Regulation (EU) No 1306/2013 (cross-compliance), the relevant criteria and minimum activities as established under points (c) (ii) and (c) (iii) of Article 4(1) of Regulation (EU) No 1307/2013, relevant minimum requirements for fertilisers and plant protection products use, and relevant mandatory requirements established by national law.

8.2.10.3.8.6. Eligibility conditions

ARKOD parcel registered as arable land, surface area must be at least 1 ha.

8.2.10.3.8.7. Principles with regards to the setting of selection criteria

Beneficiaries on the Natura 2000 sites have priority in the allocation of funds. The aim is to encourage farmers in Natura 2000 aims to apply for Agri-environment-climate measure in order to minimise the
negative impact of agriculture on biodiversity.

8.2.10.3.8.8. (Applicable) amounts and support rates

Support amount for establishment of flower strips is 419 €/ha, for grass strips is 236 €/ha.

8.2.10.3.8.9. Verifiability and controllability of the measures and/or types of operations

8.2.10.3.8.9.1. Risk(s) in the implementation of the measures

Compliance with commitments regarding forming and maintenance of field strips.

8.2.10.3.8.9.2. Mitigating actions

Record keeping will help if on-the-spot control is conducted, remote sensing control is also envisaged.

To understand meaning of commitments and implication on environment if not complied with, proper training and clear instructions will be provided for the beneficiary.

For potential beneficiaries of this operation additional training related to the operation specific commitments will be prepared and financed through Natura 2000 Integration Project.

For potential beneficiaries of this operation additional training related to the operation specific commitments will be prepared and financed through Natura 2000 Integration Project.

8.2.10.3.8.9.3. Overall assessment of the measure

This type of operation is verifiable and controllable.

8.2.10.3.8.10. Information specific to the operation

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law

1. the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council is established in national legislation: Ordinance on cross-compliance (Pravilnik o višestrukoj sukladnosti);
2. the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council;

3. the relevant minimum requirements for fertilisers and plant protection products use: Action Programme for Water Protection Against the Pollution Caused by Nitrates of Agricultural Origin (Akcijski program zaštite voda od onečišćenja uzrokovanog nitratima poljoprivrednog podrijetla) and Act on sustainable use of pesticides (Zakon o održivoj uporabi pesticida).

The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution; the minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites, as established by national legislation

1. The minimum requirements for fertilisers (the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution as established in national legislation: Action Programme for Water Protection Against the Pollution Caused by Nitrates of Agricultural Origin (Akcijski program zaštite voda od onečišćenja uzrokovanog nitratima poljoprivrednog podrijetla);

2. the minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites as established by national legislation: Act on sustainable use of pesticides (Zakon o održivoj uporabi pesticida).

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Not applicable.

Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 28(3) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 1307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation

The payment rate was calculated based on gross margin loss resulted from establishing the flower/grass stripes with additional cost of seeds and machinery. Transaction cost for record keeping and cost of
replacement worker while beneficiary attends training were added.

The double funding will be excluded in the case of practices under Article 43 of Regulation (EU) No 1306/2013, also on the basis of the information which are contained in the delegated acts which has been produced in accordance with Article 83 of Regulation (EU) No 1305/2013.
8.2.10.3.9. O_09: Maintaining extensive orchards

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.10.3.9.1. Description of the type of operation

Focus area 5E

Compared to conventional orchards, extensive ones are characterized by high trees, low density, large interspaces and surface covered with grass that is maintained by mowing or/and grazing. Conventional orchards are CO2 source mainly because of the emissions related to tillage operations, burning of fossil fuels for the machinery and burning of pruning residues. Extensive orchards remove carbon dioxide from the atmospheric system locking it into the growing biomass of trees, with grass organic residues helping to increase the soil carbon sink.

The importance of extensive orchards for environment is diverse not only from the carbon sequestration point of view, but also from the point of biodiversity and landscape value.

Extensive orchards produce less fruit that is not priced well on the market, which explains the current trend of converting extensive, traditional orchard to intensive production practice.

The commitments beneficiary must fulfil in this type of operation are:

1. Finish at least 18 hours of training related to the agri-environment-climate measure within 18 months after approval of Application. Each following year the minimum of 6 hours of training, individual advice and/or attendance in demonstration activity is required;
2. Keep record about the implemented activities related to the commitments of this operation;
3. Only plant protection products and methods approved for organic production are permitted;
4. Inorganic fertilizers and application of slurry is forbidden. Solid manure application under the tree crown is allowed;
5. The surface of orchard is maintained by grazing (sheep, cattle or poultry, maximum 1.5 LU/ha) or mowing at least once a year (surface under the trees included);
6. Regenerative pruning should be done in the first two years of the commitment period; old and dead branches must be removed on regular basis. Dead trees need to be replaced with appropriate seedling, permitted varieties to be prescribed.

Burning of vegetation cover or branches after pruning is forbidden.

8.2.10.3.9.2. Type of support

Support is in the form of annual payments per area unit as compensation to beneficiary for loss of income and additional costs as a result of compliance with the special conditions that go beyond the minimum
prescribed requirements and usual farming practice.

8.2.10.3.9.3. Links to other legislation

Nature Protection Act (OG 80/13)


Regulation (EU) No 1307/2013 of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy

8.2.10.3.9.4. Beneficiaries

Farmer as defined in the article 4, 1° paragraph, letter a) of the Reg. (UE) n. 1307/2013 and group of farmers. The applicable national law is Law on Agriculture.

8.2.10.3.9.5. Eligible costs

The beneficiary will get compensation for extra costs and losses in revenue resulting from management practice that is more sustainable and environmentally friendly than conventional practice.

This support is given to compensate those commitments going beyond the relevant mandatory standards established under Chapter I of Title VI of Regulation (EU) No 1306/2013 (cross-compliance), the relevant criteria and minimum activities as established under points (c) (ii) and (c) (iii) of Article 4(1) of Regulation (EU) No 1307/2013, relevant minimum requirements for fertilisers and plant protection products use, and relevant mandatory requirements established by national law.

8.2.10.3.9.6. Eligibility conditions

ARKOD parcel registered as extensive orchard with at least 50 to maximum 200 trees/ha.

8.2.10.3.9.7. Principles with regards to the setting of selection criteria

Beneficiaries on the Natura 2000 sites have priority in the allocation of funds. The aim is to encourage farmers in Natura 2000 aims to apply for Agri-environment-climate measure in order to minimise the negative impact of agriculture on biodiversity.
8.2.10.3.9.8. (Applicable) amounts and support rates

Support amount is 385 €/ha

8.2.10.3.9.9. Verifiability and controllability of the measures and/or types of operations

8.2.10.3.9.9.1. Risk(s) in the implementation of the measures

Compliance with commitments related to orchard maintenance.

8.2.10.3.9.9.2. Mitigating actions

Record keeping will help if on-the-spot control is conducted, remote sensing control is also envisaged.

To understand meaning of commitments and implication on environment if not complied with, proper training and clear instructions will be provided for the beneficiary.

For potential beneficiaries of this operation additional training related to the operation specific commitments will be prepared and financed through Natura 2000 Integration Project.

8.2.10.3.9.9.3. Overall assessment of the measure

This type of operation is verifiable and controllable.

8.2.10.3.9.10. Information specific to the operation

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law

1. the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council is established in national legislation: Ordinance on cross-compliance (Pravilnik o višestrukoj sukladnosti);
2. the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council;
3. the relevant minimum requirements for fertilisers and plant protection products use: Action Programme for Water Protection Against the Pollution Caused by Nitrates of Agricultural Origin (Akcijski program zaštite voda od onečišćenja uzrokovano nitratima poljoprivrednog podrijetla)
and Act on sustainable use of pesticides (Zakon o održivoj uporabi pesticida).

The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution; the minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites, as established by national legislation.

1. The minimum requirements for fertilisers (the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution as established in national legislation: Action Programme for Water Protection Against the Pollution Caused by Nitrates of Agricultural Origin (Akcijski program zaštite voda od onečišćenja uzrokovano nitratima poljoprivrednog podrijetla).

2. the minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites as established by national legislation: Act on sustainable use of pesticides (Zakon o održivoj uporabi pesticida).

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Not applicable.

Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 28(3) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 1307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation

The payment rate was calculated comparing gross margin of conventional orchard and orchard with reduced number of trees and restriction in using fertilizers and plant protection products, resulting with lower yield. Transaction costs for record keeping and costs of replacement worker while beneficiary attending training were added.

The double funding will be excluded in the case of practices under Article 43 of Regulation (EU) No 1306/2013, also on the basis of the information which are contained in the delegated acts which has been
produced in accordance with Article 83 of Regulation (EU) No 1305/2013.
8.2.10.3.10. O_10: Maintaining extensive olive groves

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.10.3.10.1. Description of the type of operation

Focus area 4A.

Maintaining production in extensive olive groves prevents their overgrowth, degradation and reduction of landscape characteristics.

Extensive olive groves represent an important habitat for many migratory bird species, provide vital habitat for overwintering, and therefore create a high nature value in biodiversity and landscape.

Support will be provided to beneficiaries who contribute to the protection of extensive olive groves in order to preserve biodiversity and traditional elements of the cultural landscape.

The commitments beneficiary must fulfil in this type of operation are:

1. Finishing at least 18 hours of training related to the agri-environment-climate measure within 18 months after approval of Application. Each following year the minimum of 6 hours of training, individual advice and/or attendance in demonstration activity is required;
2. Keeping record about the implemented activities related to the commitments of this operation;
3. Only plant protection products and methods approved for organic production are permitted;
4. Inorganic fertilizers and application of slurry is forbidden. Solid manure application under the tree crown is allowed;
5. Surface is maintained by mechanical cultivation, or grass mowing, or retaining of all thin twigs under the tree crown after pruning, or keeping livestock in olive groves (sheep and goats);
6. Burning of vegetation cover and of branches left over from pruning is not allowed.

8.2.10.3.10.2. Type of support

Support is in the form of annual payments per area unit as compensation to beneficiary for loss of income and additional costs as a result of compliance with the special conditions that go beyond the minimum prescribed requirements and usual farming practice.

8.2.10.3.10.3. Links to other legislation

Regulation No 1306/2013 of the financing, management and monitoring of the common agricultural policy.
Regulation No 1307/2013 of the establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy.

8.2.10.3.10.4. Beneficiaries

Farmer as defined in the article 4, 1° paragraph, letter a) of the Reg. (UE) n. 1307/2013 and group of farmers. The applicable national law is Law on Agriculture.

8.2.10.3.10.5. Eligible costs

The beneficiary will get compensation for extra costs and the losses in revenues resulting from managing the extensive groves in more sustainable way than in usual farming practices. This support is given to compensate those commitments going beyond the relevant mandatory standards established under Chapter I of Title VI of Regulation (EU) No 1306/2013 (cross-compliance), the relevant criteria and minimum activities as established under points (c) (ii) and (c) (iii) of Article 4(1) of Regulation (EU) No 1307/2013, relevant minimum requirements for fertilisers and plant protection products use, and relevant mandatory requirements established by national law.

8.2.10.3.10.6. Eligibility conditions

ARKOD parcel registered as extensive olive plantation with at least 25 and maximum 150 trees per hectare.

8.2.10.3.10.7. Principles with regards to the setting of selection criteria

Beneficiaries on the Natura 2000 sites have priority in the allocation of funds. The aim is to encourage farmers in Natura 2000 aims to apply for Agri-environment-climate measure in order to minimise the negative impact of agriculture on biodiversity.

8.2.10.3.10.8. (Applicable) amounts and support rates

Support amount is 1.172 €/ha

8.2.10.3.10.9. Verifiability and controllability of the measures and/or types of operations

8.2.10.3.10.9.1. Risk(s) in the implementation of the measures

Compliance with commitments: using biological plant protection products and methods and those approved for organic production, soil maintenance, maintenance of trees, ban on burning of vegetation
cover and of branches left over from pruning, and other.

8.2.10.3.10.9.2. Mitigating actions

Record keeping will help if on-the-spot control is conducted, remote sensing control is also envisaged.

To understand meaning of commitments and implication on environment if not complied with, proper training and clear instructions will be provided for the beneficiary.

For potential beneficiaries of this operation additional training related to the operation specific commitments will be prepared and financed through Natura 2000 Integration Project.

8.2.10.3.10.9.3. Overall assessment of the measure

This type of operation is verifiable and controllable.

8.2.10.3.10.10. Information specific to the operation

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law

1. the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council is established in national legislation: Ordinance on cross-compliance (Pravilnik o višestrukoj sukladnosti);
2. the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council;
3. the relevant minimum requirements for fertilisers and plant protection products use: Action Programme for Water Protection Against the Pollution Caused by Nitrates of Agricultural Origin (Akcijski program zaštitne voda od onečišćenja uzrokovano nitratima poljoprivrednog podrijetla) and Act on sustainable use of pesticides (Zakon o održivoj uporabi pesticida).

The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution; the minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites, as established by national legislation
1. The minimum requirements for fertilisers (the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution as established in national legislation: Action Programme for Water Protection Against the Pollution Caused by Nitrates of Agricultural Origin (Akcijski program zaštite voda od onečišćenja uzrokovanoj nitratima poljoprivrednog podrijetla);

2. the minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites as established by national legislation: Act on sustainable use of pesticides (Zakon o održivoj uporabi pesticida).

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Not applicable.

Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 28(3) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 1307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation

The payment rate was calculated comparing gross margin of conventional olive grove and olive grove with reduced number of trees and restriction in using fertilizers and plant protection products, resulting with lower yield. Transaction costs for record keeping and costs of replacement worker while beneficiary attends training were added.

The double funding will be excluded in the case of practices under Article 43 of Regulation (EU) No 1306/2013, also on the basis of the information which are contained in the delegated acts which has been produced in accordance with Article 83 of Regulation (EU) No 1305/2013.
8.2.10.3.11. O_11: Preservation of landscape features - stone walls

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.10.3.11.1. Description of the type of operation

Focus area 4A.

Stone walls are a traditional feature of the Mediterranean part of the Croatian. They represent an important feature of the rural landscape and are part of the rich Croatian cultural heritage. Stone wall surfaces are covered with moss and lichens, in the cracks of walls specific plant communities of wild flora grow, and are also important habitats for insects, reptiles, amphibians, and some bird species. Because of its structure, stone walls are an important feature of ecological network in the agricultural landscape and serve as corridors through which various animal species move. Traditional stone walls were built without mortar and cement, making them completely compatible with the surrounding landscape.

Support will be provided to beneficiaries who will contribute to the protection of wild species, biodiversity and traditional mosaic structure of the landscape via stone walls conservation.

The commitments beneficiary must fulfil in this type of operation are:

1. Finishing at least 18 hours of training related to the agri-environment-climate measure within 18 months after approval of Application. Each following year the minimum of 6 hours of training, individual advice and/or attendance in demonstration activity is required;
2. Keeping record about the implemented activities related to the commitments of this operation;
3. Plant protection products are not allowed within 2m zone from the stone wall;
4. Stone walls must be checked regularly and maintain by preventing vegetation overgrowth and restoring using traditional materials and building method. When stacking stones mortar cannot be used.

This support is given to compensate those commitments going beyond the relevant mandatory standards established under Chapter I of Title VI of Regulation (EU) No 1306/2013 (cross-compliance), the relevant criteria and minimum activities as established under points (c) (ii) and (c) (iii) of Article 4(1) of Regulation (EU) No 1307/2013, relevant minimum requirements for fertilisers and plant protection products use, and relevant mandatory requirements established by national law.

8.2.10.3.11.2. Type of support

Support is in the form of annual payments per area unit as compensation to beneficiary for loss of income and additional costs as a result of compliance with the special conditions that go beyond the minimum prescribed requirements and usual farming practice.
Support is possible only for those stone walls which are preserved for at least 75%.

8.2.10.3.11.3. Links to other legislation

Regulation No 1306/2013 of the financing, management and monitoring of the common agricultural policy.

Regulation No 1307/2013 of the establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy.

8.2.10.3.11.4. Beneficiaries

Farmer as defined in the article 4, 1° paragraph, letter a) of the Reg. (UE) n. 1307/2013 and group of farmers. The applicable national law is Law on Agriculture.

8.2.10.3.11.5. Eligible costs

The beneficiary will get compensation for extra costs resulting from specific method of restoring stone walls - when stacking stones mortar cannot be used which is very time consuming. Ban of using plant protection products in area 2m of the wall is enhancing the time for removing the vegetation and losses in revenues resulting in reduced yield.

This support is given to compensate those commitments going beyond the relevant mandatory standards established under Chapter I of Title VI of Regulation (EU) No 1306/2013 (cross-compliance), the relevant criteria and minimum activities as established under points (c) (ii) and (c) (iii) of Article 4(1) of Regulation (EU) No 1307/2013, relevant minimum requirements for fertilisers and plant protection products use, and relevant mandatory requirements established by national law.

8.2.10.3.11.6. Eligibility conditions

ARKOD parcel with registered landscape feature of stone walls.

8.2.10.3.11.7. Principles with regards to the setting of selection criteria

Beneficiaries on the Natura 2000 sites have priority in the allocation of funds. The aim is to encourage farmers in Natura 2000 aims to apply for Agri-environment-climate measure in order to minimise the negative impact of agriculture on biodiversity.
8.2.10.3.11.8. (Applicable) amounts and support rates

Support amount is 165 EUR/ha (0,74 EUR/m).

8.2.10.3.11.9. Verifiability and controllability of the measures and/or types of operations

8.2.10.3.11.9.1. Risk(s) in the implementation of the measures

Compliance with commitments (the ban on the use of pesticides within 2m zone from the wall, maintenance of stone walls and other).

8.2.10.3.11.9.2. Mitigating actions

Record keeping will help if on-the-spot control is conducted, remote sensing control is also envisaged.

To understand meaning of commitments and implication on environment if not complied with, proper training and clear instructions will be provided for the beneficiary.

For potential beneficiaries of this operation additional training related to the operation specific commitments will be prepared and financed through Natura 2000 Integration Project.

8.2.10.3.11.9.3. Overall assessment of the measure

This type of operation is verifiable and controllable.

8.2.10.3.11.10. Information specific to the operation

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law

1. the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council is established in national legislation: Ordinance on cross-compliance (Pravilnik o višestrukoj sukladnosti);
2. the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council;
3. the relevant minimum requirements for fertilisers and plant protection products use: Action Programme for Water Protection Against the Pollution Caused by Nitrates of Agricultural Origin (Akcijski program zaštite voda od onečišćenja uzrokovanih nitratima poljoprivrednog podrijetla)
The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution; the minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites, as established by national legislation.

1. The minimum requirements for fertilisers (the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution as established in national legislation: Action Programme for Water Protection Against the Pollution Caused by Nitrates of Agricultural Origin (Akcijski program zaštite voda od onečišćenja uzrokovanoj nitratima poljoprivrednog podrijetla);)

2. The minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites as established by national legislation: Act on sustainable use of pesticides (Zakon o održivoj uporabi pesticida).

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Not applicable.

Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 28(3) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 1307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation.

The payment rate was calculated based on additional cost of improvement of the stonewall feature. Transaction costs for record keeping and costs of replacement worker while beneficiary attends training were added.

The double funding will be excluded in the case of practices under Article 43 of Regulation (EU) No 1306/2013, also on the basis of the information which are contained in the delegated acts which has been
produced in accordance with Article 83 of Regulation (EU) No 1305/2013.
8.2.10.3.12. O_12: Preservation of landscape features - hedges

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.10.3.12.1. Description of the type of operation

Focus area 4A

Arable land separated with hedges contributes not only to biodiversity but at the large extent to the landscape diversity. Hedgerows enrich the quality of the landscape, provide excellent wind protection and are extremely rich habitat for a variety of plant and animal species.

The best hedges consist of several species of trees, shrubs and ground layer, overgrown with rich wild flora. During flowering, hedges provide nectar and pollen for insects. Hedgerows also insure nesting place for a large number of bird species. The base of the hedge provides a good shelter for small mammals and good corridor for wildlife species.

The intensification of agricultural production demanding large, continuous parcels, has negative impact on biodiversity. Therefore, it is important to encourage hedge maintenance.

Support will be provided to beneficiaries who contribute to the wild species protection, biodiversity and the preservation of traditional mosaic structure of the landscape.

The commitments beneficiary must fulfil in this type of operation are:

1. Finishing at least 18 hours of training related to the agri-environment-climate measure within 18 months after approval of Application. Each following year the minimum of 6 hours of training, individual advice and/or attendance in demonstration activity is required;
2. Keeping record about the implemented activities related to the commitments of this operation;
3. Plant protection products are not allowed within 3m zone from the hedge;
4. Hedges must be cropped once every two to three years in order to maintain its shape, must consist of at least three different types of deciduous vegetation. The missing parts should be supplanted with autochthonous or domestic species of shrubs and trees;
5. Cropping of hedges is not allowed in the period from 01 March to 31 August.

8.2.10.3.12.2. Type of support

Support is in the form of annual payments per area unit as compensation to beneficiary for loss of income and additional costs as a result of compliance with the special conditions that go beyond the minimum prescribed requirements and usual farming practice.
8.2.10.3.12.3. Links to other legislation

Regulation No 1306/2013 of the financing, management and monitoring of the common agricultural policy.

Regulation No 1307/2013 of the establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy.

8.2.10.3.12.4. Beneficiaries

Farmer as defined in the article 4, 1° paragraph, letter a) of the Reg. (UE) n. 1307/2013 and group of farmers. The applicable national law is Law on Agriculture.

8.2.10.3.12.5. Eligible costs

The beneficiary will get compensation for extra costs for cropping the hedge in order to maintain its shape and to crop in the time of year when cost are higher. The ban of using plant protection products in area 3m of the hedge is reducing yield and losses in revenues.

This support is given to compensate those commitments going beyond the relevant mandatory standards established under Chapter I of Title VI of Regulation (EU) No 1306/2013 (cross-compliance), the relevant criteria and minimum activities as established under points (c) (ii) and (c) (iii) of Article 4(1) of Regulation (EU) No 1307/2013, relevant minimum requirements for fertilisers and plant protection products use, and relevant mandatory requirements established by national law.

8.2.10.3.12.6. Eligibility conditions

ARKOD parcel with registered landscape features of hedges.

8.2.10.3.12.7. Principles with regards to the setting of selection criteria

Beneficiaries on the Natura 2000 sites have priority in the allocation of funds. The aim is to encourage farmers in Natura 2000 aims to apply for Agri-environment-climate measure in order to minimise the negative impact of agriculture on biodiversity.

8.2.10.3.12.8. (Applicable) amounts and support rates

Support amount 0,30 €/m²
8.2.10.3.12.9. Verifiability and controllability of the measures and/or types of operations

8.2.10.3.12.9.1. Risk(s) in the implementation of the measures

Compliance with commitments such as the ban on the use of pesticides within 3m zone from the hedge, maintenance of hedges and other.

8.2.10.3.12.9.2. Mitigating actions

Record keeping will help if on-the-spot control is conducted, remote sensing control is also envisaged.

To understand meaning of commitments and implication on environment if not complied with, proper training and clear instructions will be provided for the beneficiary.

For potential beneficiaries of this operation additional training related to the operation specific commitments will be prepared and financed through Natura 2000 Integration Project.

8.2.10.3.12.9.3. Overall assessment of the measure

This type of operation is verifiable and controllable.

8.2.10.3.12.10. Information specific to the operation

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law

1. the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council is established in national legislation: Ordinance on cross-compliance (Pravilnik o višestrukoj sukladnosti);

2. the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council;

3. the relevant minimum requirements for fertilisers and plant protection products use: Action Programme for Water Protection Against the Pollution Caused by Nitrates of Agricultural Origin (Akcijski program zaštite voda od onečišćenja uzrokovano nitratima poljoprivrednog podrijetla) and Act on sustainable use of pesticides (Zakon o održivoj uporabi pesticida).

The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution; the minimum requirements for plant protection products use must include, inter alia,
general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites, as established by national legislation

1. The minimum requirements for fertilisers (the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution as established in national legislation: Action Programme for Water Protection Against the Pollution Caused by Nitrates of Agricultural Origin (Akcijski program zaštitе voda od onećиšćеnja uzrokovаnог nitratima poljoprivrednог podrijetla);

2. the minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites as established by national legislation: Act on sustainable use of pesticides (Zakon o održivoj uporabi pesticida).

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Not applicable.

Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 28(3) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 1307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation

The payment rate was calculated based on additional costs of improvement of the hedge feature. Transaction costs for record keeping and costs of replacement worker while beneficiary attends training were added.

The double funding will be excluded in the case of practices under Article 43 of Regulation (EU) No 1306/2013, also on the basis of the information which are contained in the delegated acts which has been produced in accordance with Article 83 of Regulation (EU) No 1305/2013.
8.2.10.3.13. O_13: Planting of winter cover crop (catch crop)

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.10.3.13.1. Description of the type of operation

Focus area 5E.

The agricultural sector is one of the major sources of greenhouse gases, especially carbon dioxide (CO2) generated by decomposition of organic matter from cultivated agricultural land. Retention of vegetation cover during the winter months stores carbon dioxide (CO2), which has the effect of reducing emissions into the atmosphere and positive impact on climate changes.

At the same time, crops winter cover prevents the loss of nutrients, protects soil from compaction and erosion, maintains soil organic matter, provides wide crop rotation, encourages biological biodiversity and enables green manure.

Support will be provided to beneficiaries who contribute to the retention of carbon dioxide (CO2) by sowing of winter cover.

The commitments beneficiary must fulfil in this type of operation are:

1. Finishing at least 18 hours of training related to the agri-environment-climate measure within 18 months after approval of Application. Each following year the minimum of 6 hours of training, individual advice and/or attendance in demonstration activity is required;
2. Keeping record about the implemented activities related to the commitments of this operation;
3. Development of five-year fertilization plan having in mind that using inorganic fertilizer for intercrop sown between two main crops is not allowed;
4. Development of five-year plan of crop rotation with at least five crops;
5. Sowing should be done no later than three weeks after the harvest of the main crop. Mowing winter cover is prohibited, ploughing winter cover allowed after 15th of February;
6. The use of fertilizers and pesticides is not allowed in case of cover crops that are sown between two main crops.

8.2.10.3.13.2. Type of support

Support is in the form of annual payments per area unit as compensation to beneficiary for loss of income and additional costs as a result of compliance with the special conditions that go beyond the minimum prescribed requirements and usual farming practice.
8.2.10.3.13.3. Links to other legislation

Regulation No 1306/2013 of the financing, management and monitoring of the common agricultural policy.

Regulation No 1307/2013 of the establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy.

8.2.10.3.13.4. Beneficiaries

Farmer as defined in the article 4, 1° paragraph, letter a) of the Reg. (UE) n. 1307/2013 and group of farmers. The applicable national law is Law on Agriculture.

8.2.10.3.13.5. Eligible costs

The beneficiary will get compensation for extra costs related to sowing the cover crop.

This support is given to compensate those commitments going beyond the relevant mandatory standards established under Chapter I of Title VI of Regulation (EU) No 1306/2013 (cross-compliance), the relevant criteria and minimum activities as established under points (c) (ii) and (c) (iii) of Article 4(1) of Regulation (EU) No 1307/2013, relevant minimum requirements for fertilisers and plant protection products use, and relevant mandatory requirements established by national law.

8.2.10.3.13.6. Eligibility conditions

ARKOD parcel registered as arable land.

8.2.10.3.13.7. Principles with regards to the setting of selection criteria

Beneficiaries on the Natura 2000 sites have priority in the allocation of funds. The aim is to encourage farmers in Natura 2000 aims to apply for Agri-environment-climate measure in order to minimise the negative impact of agriculture on biodiversity.

8.2.10.3.13.8. (Applicable) amounts and support rates

Support amount is 413,67 €/ha
8.2.10.3.13.9. Verifiability and controllability of the measures and/or types of operations

8.2.10.3.13.9.1. Risk(s) in the implementation of the measures

Compliance with the fertilization plan, crop rotation plan and other.

8.2.10.3.13.9.2. Mitigating actions

At the moment of submitting the Application, beneficiary must have prepared fertilization plan and crop rotation plan for contracted period. When on-the-spot control is conducted, it would be easy to control if plans are respected. Remote sensing control is also envisaged.

To understand meaning of commitments and implication on environment if not complied with, proper training and clear instructions will be provided for the beneficiary.

8.2.10.3.13.9.3. Overall assessment of the measure

This type of operation is verifiable and controllable.

8.2.10.3.13.10. Information specific to the operation

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law.

1. the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council is established in national legislation: Ordinance on cross-compliance (Pravilnik o višestrukoj sukladnosti);
2. the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council;
3. the relevant minimum requirements for fertilisers and plant protection products use: Action Programme for Water Protection Against the Pollution Caused by Nitrates of Agricultural Origin (Akcijski program zaštite voda od onečišćenja uzrokovanog nitratima poljoprivrednog podrijetla) and Act on sustainable use of pesticides (Zakon o održivoj uporabi pesticida).

The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution; the minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking
of application machinery and rules on pesticide use close to water and other sensitive sites, as established by national legislation

**Minimum**

1. The minimum requirements for fertilisers (the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution as established in national legislation: Action Programme for Water Protection Against the Pollution Caused by Nitrates of Agricultural Origin (Akcijski program zaštite voda od onečišćenja uzrokovano nitratima poljoprivrednog podrijetla);

2. the minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites as established by national legislation: Act on sustainable use of pesticides (Zakon o održivoj uporabi pesticida).

**List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion**

Not applicable.

**Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 28(3) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 1307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation**

The payment rate was calculated based on additional costs of cover crop sowing and bigger costs for weeds maintenance and income forgone in the following crop. Transaction costs for record keeping and costs of replacement worker while beneficiary attends training were added.

The double funding will be excluded in the case of practices under Article 43 of Regulation (EU) No 1306/2013, also on the basis of the information which are contained in the delegated acts which has been produced in accordance with Article 83 of Regulation (EU) No 1305/2013.
8.2.10.3.14. O_14: Integrated farming

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.10.3.14.1. Description of the type of operation

Focus area 4B.

Integrated farming is a set of agri-environmental commitments that contribute to the conservation of water, soil, air and environment as a whole. Compared to organic farming it is less demanding way of production, but it is certainly more demanding than the conventional agricultural production. The intake of nutrients and pesticides is rational and environmentally friendly, thus having a positive effect on biodiversity. The way in which integrated plant production is implemented reduces the impact of agriculture on climate change. The integrated agriculture system was introduced in Croatia in year 2010. Production is carried out in accordance with the Ordinance on the integrated production of agricultural products and Technical guidance which are published for the four types of production: fruit, grapes, vegetables and arable crops. Technical guidance consists of various obligations that must be respected by the farmers who are in the integrated production system, and which go beyond the statutory obligations for conventional agricultural production.

Technological guidance stipulates inter alia mandatory soil analysis, proper selection of varieties for the climate, preservation and encourages biodiversity. All obligations relating to the cultivation of soil are aimed at protecting and improving soil fertility (crop rotation, balanced fertilization, drip irrigation system). It is strictly prohibited to use genetic modified organisms and all products that consist of, or are produced by these organisms.

The farmer entering the integrated production system must request from Advisory service the first supervision. Copy of the supervision report is sent to the Ministry of Agriculture that registers the farmer in the Register of integrated production. Registration of new farmers is permitted throughout the year, while farmers who are already in the system must declare their land, by the end of the year, to the Advisory Service. Advisory service delivers to the Paying Agency report on supervision and confirmation of compliance with the requirements specified in the Technological guidance. Farmers receiving a certificate can use the "integrated product" label.

Support will be provided to beneficiaries who meet defined obligations that go beyond conventional production standards in accordance with the Ordinance on the integrated production of agricultural products.

The commitments that beneficiary must fulfil in this type of operation are:

1. Finish at least 18 hours of training related to the agri-environment-climate measure within 18 months after approval of Application. Each following year the minimum of 6 hours of training, individual advice and/or attendance in demonstration activity is required;
2. Keep record about the implemented activities related to the commitments of this operation;
3. 5% of the agricultural holding should be left untreated as a habitat for beneficial organisms protecting them by setting up rocks and piles of branches as a shelter, setting up houses for birds,
setting high poles to attract birds of prey.

Fruit production:

1. Only shallow tillage is allowed. In the continental area at most 30% of total plantation can be cultivated, in the Mediterranean area cultivation is permitted from spring to autumn on the entire plantation area;
2. Soil analyses is mandatory once every five years, fertilization plan for five year period must be developed;
3. IPM red list plant protection products for orchards are forbidden; herbicides are forbidden. Weed management includes natural grassing with low plants that have shallow roots; or covering area under the trees with organic material or foil; or mechanical weed control – if mowing the cut grass must be left on the surface;
4. Only dripping irrigation is allowed.

Vegetable production:

1. Open hydroponic system is forbidden;
2. If the soil is without vegetables during the winter, it is mandatory to sow green manure crops;
3. Soil analyses is mandatory once every year in protected space, once every three years in the open space, five years fertilization plan must be developed;
4. Five year crop rotation plan must be developed;
5. IPM red list plant protection products for vegetables are forbidden, chemical soil sterilization is forbidden, herbicides in protected space are forbidden;
6. Only drip irrigation is allowed, portion of water bigger than 20 l/m² on sandy and clay soils is not allowed.

Grape production:

1. Soil analysis is mandatory once every five years; fertilization plan for five years period must be developed. First year after planting nitrogen fertilization is forbidden, for the rest of the commitment period maximum amount of the nitrogen is 80 kg/ha;
2. IPM red list plant protection products for grapes are forbidden; herbicides are forbidden. Weed management includes natural grassing with low plants that have shallow roots; or covering surface with organic material or foil; or mechanical weed control – if mowing the cut grass must be left on the surface;
3. Only drip irrigation is allowed.

Arable crops:

1. Cultivation on arable crops if parcel slope is bigger than 15% is not allowed; on parcels with slope 7-15% cover crops are obligatory (oil radish, mustard, Phacelia and other);
2. Soil analysis is mandatory once every five years, five years fertilization plan must be developed;
3. On soils with less than 1.5% humus (based on analysis of total nitrogen to 0.3 m or to a depth of arable soil) it is mandatory to leave all harvest residues and/or sow plant for green manure and/or cover plants and/or return organic matter in the form of manure (30t/ha at least twice in five years, whereas the annual amount of manure N input should not exceed 170 kg/ha, or less if other measures on specified area are required);
4. Five year crop rotation plan must be developed with at least three crops from different plant families, the ratio of each crop is defined;
5. For larger irrigated areas the irrigation plan must be established. Single portion of water should not exceed 20 mm; total amount of water used per month shall not exceed thirty year average rainfall amount on the irrigated area for more than 50%.

8.2.10.3.14.2. Type of support

Support is in the form of annual payments per area unit as compensation to beneficiary for loss of income and additional costs as a result of compliance with the special conditions that go beyond the minimum prescribed requirements and usual farming practice.

8.2.10.3.14.3. Links to other legislation

- Ordinance on Cross Compliance
- The Action Programme for Water Protection Against the Pollution Caused by Nitrates Of Agricultural Origin (OG No 15/13)
- The Act on the implementation of Regulation (EC) No 1107/2009 concerning the placing of plant protection products on the market (OG No 80/2013)
- Act on Sustainable Use of Pesticides (OG No 14/14)
- Regulation No 1306/2013 of the financing, management and monitoring of the common agricultural policy.
- Regulation No 1307/2013 of the establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy.

8.2.10.3.14.4. Beneficiaries

Farmer as defined in the article 4, 1° paragraph, letter a) of the Reg. (UE) n. 1307/2013 and group of farmers. The applicable national law is Law on Agriculture.
### 8.2.10.3.14.5. Eligible costs

The beneficiary will get compensation for extra costs and losses in revenue resulting from agriculture practice that is more sustainable and environmentally friendly than conventional practice.

This support is given to compensate those commitments going beyond the relevant mandatory standards established under Chapter I of Title VI of Regulation (EU) No 1306/2013 (cross-compliance), the relevant criteria and minimum activities as established under points (c) (ii) and (c) (iii) of Article 4(1) of Regulation (EU) No 1307/2013, relevant minimum requirements for fertilisers and plant protection products use, and relevant mandatory requirements established by national law.

### 8.2.10.3.14.6. Eligibility conditions

ARKOD parcel registered for integrated production.

### 8.2.10.3.14.7. Principles with regards to the setting of selection criteria

Beneficiaries on the Natura 2000 sites have priority in the allocation of funds. The aim is to encourage farmers in Natura 2000 aims to apply for Agri-environment-climate measure in order to minimise the negative impact of agriculture on biodiversity.

### 8.2.10.3.14.8. (Applicable) amounts and support rates

Support amount is for arable crops 131.83 €/ha, for orchards and vineyards 828.22 €/ha and for vegetables 459.59 €/ha.

### 8.2.10.3.14.9. Verifiability and controllability of the measures and/or types of operations

#### 8.2.10.3.14.9.1. Risk(s) in the implementation of the measures

This operation has been implemented for several years and risks in the implementation are very unlikely, the commitments and obligations are the same as in previous period.

#### 8.2.10.3.14.9.2. Mitigating actions

To understand meaning of commitments and implication on environment if not complied with, proper training and clear instructions will be provided for the beneficiary.
This type of operation is verifiable and controllable.

**8.2.10.3.14.10. Information specific to the operation**

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law.

1. the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council is established in national legislation: Ordinance on cross-compliance (Pravilnik o višestrukoj sukladnosti);
2. the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council;
3. the relevant minimum requirements for fertilisers and plant protection products use: Action Programme for Water Protection Against the Pollution Caused by Nitrates of Agricultural Origin (Akcijski program zaštite voda od onečišćenja uzrokovano nitratima poljoprivrednog podrijetla) and Act on sustainable use of pesticides (Zakon o održivoj uporabi pesticida).

The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution; the minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites, as established by national legislation.

1. The minimum requirements for fertilisers (the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution as established in national legislation: Action Programme for Water Protection Against the Pollution Caused by Nitrates of Agricultural Origin (Akcijski program zaštite voda od onečišćenja uzrokovano nitratima poljoprivrednog podrijetla);
2. The minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites as established by national legislation: Act on sustainable use of pesticides (Zakon o održivoj uporabi pesticida).
List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Not applicable.

Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 28(3) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 1307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation.

The payment rate was calculated comparing gross margin of conventional fruit, grapes, vegetables and arable crops usual practice and gross margin with restriction mandatory for integrated production, which implies bigger costs and lower yield. Transaction costs for record keeping and costs of replacement worker while beneficiary attends training were added.

The double funding will be excluded in the case of practices under Article 43 of Regulation (EU) No 1306/2013, also on the basis of the information which are contained in the delegated acts which has been produced in accordance with Article 83 of Regulation (EU) No 1305/2013.
8.2.10.3.15. O_15: Preservation of endangered autochthonous and protected breeds of domestic animals

Sub-measure:

- 10.2 - support for conservation and sustainable use and development of genetic resources in agriculture

8.2.10.3.15.1. Description of the type of operation

Focus area 4A.

The animal production intensification, with the aim of higher income, has a negative impact on the situation of autochthonous and protected breeds of domestic animals. The genetic potential that we have is very valuable, especially from the biodiversity view and the need to adapt agriculture to the climate change. Priority is to preserve traditional, animal species adapted to the local environment that present the base for creating the new and improved properties of the existing domestic animals breeds.

Croatia is a signatory of the Convention on biological diversity which is used as a base for the Strategy and Action plan for the protection of biological and landscape diversity.

In accordance with those guidelines, National programme for conservation of native breeds of domestic animals in Croatia has been adopted as well as National programme for conservation and sustainable use of genetic plant resources for food and agriculture.

The main objectives of the National programme for conservation of native breeds of domestic animals in Croatia are:

- transparency support and definition of competence in native breeds protection activities (governmental institutions, non-governmental organizations, institutions, private sector);

- development and monitoring of the implementation conservation in situ and ex situ native breeds protection program;

- model development of native breeds protection in sustainable usage systems;

- model development of native breeds protection under natural habitats management/conservation framework;

- cooperation development at the national, regional and global levels.

Sustainability strategy for native and protected breeds of domestic animals in Croatia should be in line with the guidelines of the strategic priorities of the Global action plan for native and protected breeds conservation, which was adopted in Interlaken 2007.

Native (autochthonous, indigenous) breeds can be considered as a specific group of animals, bred in a country long enough to be genetically adapted to traditional production systems and the environment (FAO, 1999). Livestock Act in Croatian (Official Gazette No. 70/97, 36/98, 151/03, 132/06, 14/14) defines native breeds as „domestic animals breeds developed on the Croatian territory".
List of native and endangered breeds and strains of domestic animals developed on Croatian territory was published in the (OG 127/98, 73/03, 39/06, 126/07, 70/09 and 80/13).

In order to maintain certain breeds of domestic animals in Croatia, breeders come together in associations and federations. Establishment of such organizations is regulated by the Act Livestock and Ordinance on the requirements that breeding organizations must fulfil order to engage in the rearing of breeding animals, and on the content of the Register of breeding organizations (OG. 164/04). Breeding organization in accordance with the provisions of the Ordinance shall apply to the Ministry of Agriculture for approval to pursue the breeding of pure-bred breeding animals of the organization.

When applying, the breeding association shall provide:

- Breeding program;
- Minutes of the founding meeting of the breeding association;
- A list of the founders and the person responsible for representing the breeding association with information on the territorial action;
- Statute;
- Proof of the number and expertise of personnel to carry out tasks breeding animals;
- Proof of meeting the space and technical and technological conditions for conducting breeding pure-bred breeding animals.

The breeding association must submit the following information from which it is clear that there are a sufficient number of animals for conducting breeding program for genetic improvement of species and/or breed or, if necessary, it has a sufficient number of animals for the preservation of the breed in the association members possession on the application day for the approval.

Breeding organizations which obtain the approval to pursue the rearing of breeding animals entered in the register of breeding organizations run by the Ministry of Agriculture.

List of professional bodies, organizations and associations:

**BOVINES**

1. Association of Istrian Cattle Breeders "S.U.I.G.";
2. Association of Slavonian Syrmian Podolac Breeders;
3. Association of Buša Cattle Breeders.

**SHEEP AND GOATS**

1. Sheep Breeders Association "Škrparica" Rab;
2. Croatian Association of Breeders of Sheep and Goats.

HORSES

MEDIMURJE HORSE:

1. Association of Međimurje Horse Breeders;

LIPIZZANER:

2. Horse Breeding Association Prigorje Glavničica (KU Prigorje);

3. Horse Breeding Association "Otok";

4. Horse Breeding Association "Pleternica";

5. Horse Breeding Association "Srijemac" (KU "Srijemac");

6. Horse Breeding Association "Gundinci";

7. Lipizzaner Horse Breeding Association "Đakovština" Đakovo;

8. Horse Breeding Association "Stari graničar";

9. Horse Breeding Association "Sikirevci";

10. Horse Breeding Association "Čepin";

11. Horse Breeding Association Babina greda;

12. Horse Breeding Association "Slavonija";

13. State Stud Farm Đakovo;

14. State Stud Farm Lipik;

CROATIAN COLDBLOOD

1. Association of Breeders of Croatian Coldblood "Slavonac" Slavonski Brod;

2. Horse Breeding Association "VALLIS AUREA", Požega;

3. Horse Breeding Association Istra, Association of Breeders of Posavina Horse and Cold-Blooded Horse;

4. Horse Breeding Association Bilogora;

5. Association of Slavonian Cold-Blooded Horse Breeders;
6. County Horse Breeders Association "Krapina";
7. Horse Breeding Association "Vrbovec";
8. Horse Breeding Association "Moslavina";
9. Zagorje Horse Breeders Association;
10. Horse Breeding Association of Croatian Coldblood "Primorac";
11. Central Association of Breeders of Croatian Coldblood;
12. Horse Breeding Association "SOKOL";
13. Central Association of Breeders of Croatian Coldblood;

CROATIAN POSAVAC HORSE
1. Central Association of Croatian Posavac Horse;
2. Horse Breeders Association of Croatian Posavina Horse Kloštar Ivanić;
3. Horse Breeding Association Istra, Association of Breeders of Posavina Horse and Cold-Blooded Horse.

PIGS
1. Central Alliance of Croatian Pig Breeders Associations;
2. Noble Turopolje County;
3. Association of Black Slavonian Pig Breeders of Osijek-Baranja County.

POULTRY

CROATIAN HEN:
1. Croatian Hen Association of Virovitica-Podravina County;
2. Croatian Hen Association of Split-Dalmatia County;
3. Croatian Association of Breeders of Croatian Hen;
4. Association of Croatian hen Breeders of Varaždin County.

ZAGORJE TURKEY (ZAGORSKI PURAN)
1. Association of Zagorje Turkey Breeders of Varaždin County;
2. Association of Zagorje Turkey Breeders of Krapina-Zagorje County.

Support will be provided to beneficiaries who contribute to the preservation of endangered autochthonous and protected domestic animals breeds and reduce the risk of their extinction. Only valid breeding endangered autochthonous and protected domestic animals breeds are acceptable, if registered in the Single Register of Domestic Animals. The commitments beneficiary must fulfil in this type of operation are:

1. Finishing at least 18 hours of training related to the agri-environment-climate measure within 18 months after approval of Application. Each following year the minimum of 6 hours of training, individual advice and/or attendance in demonstration activity is required;
2. Keeping record about the implemented activities related to the commitments of this operation;
3. Breeding endangered autochthonous and protected breeds and maintain at least the same number of LU as listed in the application, the minimum is 0.15 LU;
4. Implementing the breeding programme and achieving the breeding objectives set out in the programme.
### Anteherenous and protected breeds of domestic animals in 2015 and comparison with the threshold for recognition of the state of endangerment

<table>
<thead>
<tr>
<th>Animal Category</th>
<th>Breed</th>
<th>Threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cattle</strong></td>
<td>Beef cattle</td>
<td>401</td>
</tr>
<tr>
<td></td>
<td>Jersey cattle</td>
<td>721</td>
</tr>
<tr>
<td></td>
<td>Slovenian Friesian pedigree cattle</td>
<td>171</td>
</tr>
<tr>
<td><strong>Pig</strong></td>
<td>Black Slovenian pig</td>
<td>819</td>
</tr>
<tr>
<td></td>
<td>Tardel pig</td>
<td>124</td>
</tr>
<tr>
<td><strong>Sheep</strong></td>
<td>Slovenian sheep</td>
<td>2222</td>
</tr>
<tr>
<td></td>
<td>Ores island sheep</td>
<td>853</td>
</tr>
<tr>
<td></td>
<td>Kerk island sheep</td>
<td>342</td>
</tr>
<tr>
<td></td>
<td>Pag island sheep</td>
<td>4532</td>
</tr>
<tr>
<td></td>
<td>Rako (Dobrovački) sheep</td>
<td>826</td>
</tr>
<tr>
<td></td>
<td>Lika 'prometna' sheep</td>
<td>7346</td>
</tr>
<tr>
<td></td>
<td>Dobojan 'prometna' sheep</td>
<td>8599</td>
</tr>
<tr>
<td></td>
<td>Ubol sheep</td>
<td>3645</td>
</tr>
<tr>
<td></td>
<td>Rib island sheep</td>
<td>617</td>
</tr>
<tr>
<td><strong>Goat</strong></td>
<td>Croatian spotted goat</td>
<td>403</td>
</tr>
<tr>
<td></td>
<td>Croatian white goat</td>
<td>72</td>
</tr>
<tr>
<td></td>
<td>Italian goat</td>
<td>38</td>
</tr>
<tr>
<td><strong>Poultry</strong></td>
<td>Turkey from Zagorje</td>
<td>2058</td>
</tr>
<tr>
<td></td>
<td>Croatian Hen</td>
<td>2340</td>
</tr>
<tr>
<td><strong>Horses</strong></td>
<td>Croatian stallion</td>
<td>2597</td>
</tr>
<tr>
<td></td>
<td>Croatian Pleasure horse</td>
<td>2687</td>
</tr>
<tr>
<td></td>
<td>Mediterranean horse</td>
<td>23</td>
</tr>
<tr>
<td></td>
<td>Appaloosa</td>
<td>460</td>
</tr>
<tr>
<td><strong>Ducks</strong></td>
<td>Italian duck</td>
<td>699</td>
</tr>
<tr>
<td></td>
<td>Litoral Dalmatian duck</td>
<td>699</td>
</tr>
<tr>
<td></td>
<td>North Adriatic duck</td>
<td>699</td>
</tr>
</tbody>
</table>

*Source: Annual report on the anteherenous and protected breeds of domestic animals, Croatian Agriculture agency*
8.2.10.3.15.2. Type of support

Support is in the form of annual payments per livestock unit as compensation paid to beneficiary for loss of income and additional costs as a result of compliance with the special conditions that go beyond the minimum prescribed requirements and conventional, intensive livestock farming.

8.2.10.3.15.3. Links to other legislation

Ordinance on Cross Compliance

Regulation No 1306/2013 of the financing, management and monitoring of the common agricultural policy.

Regulation No 1307/2013 of the establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy.

8.2.10.3.15.4. Beneficiaries

Farmer as defined in the article 4, 1° paragraph, letter a) of the Reg. (UE) n. 1307/2013 and group of farmers. The applicable national law is Law on Agriculture.

8.2.10.3.15.5. Eligible costs

This support is given to compensate those commitments going beyond the relevant mandatory standards established under Chapter I of Title VI of Regulation (EU) No 1306/2013 (cross-compliance), the relevant criteria and minimum activities as established under points (c) (ii) and (c) (iii) of Article 4(1) of Regulation (EU) No 1307/2013, relevant minimum requirements for fertilisers and plant protection products use, and relevant mandatory requirements established by national law.

8.2.10.3.15.6. Eligibility conditions

Endangered autochthonous and protected species of domestic animals, certified by a professional body, organization or association.

8.2.10.3.15.7. Principles with regards to the setting of selection criteria

Beneficiaries on the Natura 2000 sites have priority in the allocation of funds. The aim is to encourage
farmers in Natura 2000 aims to apply for Agri-environment-climate measure in order to minimise the negative impact of agriculture on biodiversity.

8.2.10.3.15.8. (Applicable) amounts and support rates

The applicable amounts are in the table below.

<table>
<thead>
<tr>
<th>Breed</th>
<th>Support €/LU</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cattle</strong></td>
<td></td>
</tr>
<tr>
<td>Busa cattle</td>
<td>748,24</td>
</tr>
<tr>
<td>Istrian cattle</td>
<td>1,115,80</td>
</tr>
<tr>
<td>Slavonian Syrmian podolian cattle</td>
<td>537,47</td>
</tr>
<tr>
<td><strong>Pigs</strong></td>
<td></td>
</tr>
<tr>
<td>Black Slavonian pig</td>
<td>766,13</td>
</tr>
<tr>
<td>Turopolje pig</td>
<td>734,14</td>
</tr>
<tr>
<td><strong>Sheep</strong></td>
<td></td>
</tr>
<tr>
<td>Istrian sheep</td>
<td>1,209,94</td>
</tr>
<tr>
<td>Cres island sheep</td>
<td>1,147,39</td>
</tr>
<tr>
<td>Krk island sheep</td>
<td>965,62</td>
</tr>
<tr>
<td>Pag island sheep</td>
<td>1,359,66</td>
</tr>
<tr>
<td>Ruda (Dubrovnik) sheep</td>
<td>999,75</td>
</tr>
<tr>
<td>Lika „pramenka“</td>
<td>819,41</td>
</tr>
<tr>
<td>Dalmatian „pramenka“</td>
<td>954,24</td>
</tr>
<tr>
<td>Tzigai sheep</td>
<td>954,57</td>
</tr>
<tr>
<td>Rab island sheep</td>
<td>1,117,29</td>
</tr>
<tr>
<td><strong>Goats</strong></td>
<td></td>
</tr>
<tr>
<td>Croatian spotted goat</td>
<td>823,33</td>
</tr>
<tr>
<td>Croatian white goat</td>
<td>874,20</td>
</tr>
<tr>
<td>Istrian goat</td>
<td>838,84</td>
</tr>
<tr>
<td><strong>Poultry</strong></td>
<td></td>
</tr>
<tr>
<td>Zagorje turkey</td>
<td>305,52</td>
</tr>
<tr>
<td>Croatian hen</td>
<td>309,27</td>
</tr>
<tr>
<td><strong>Horses</strong></td>
<td></td>
</tr>
<tr>
<td>Croatian coldblod</td>
<td>1,423,19</td>
</tr>
<tr>
<td>Croatian Posavac</td>
<td>1,358,34</td>
</tr>
<tr>
<td>Medimurje horse</td>
<td>1,198,79</td>
</tr>
<tr>
<td>Lipizzaner</td>
<td>938,49</td>
</tr>
<tr>
<td><strong>Donkeys</strong></td>
<td></td>
</tr>
<tr>
<td>Istrian donkey</td>
<td>368,41</td>
</tr>
<tr>
<td>Littoral Diaac donkey</td>
<td>305,67</td>
</tr>
<tr>
<td>North Adriatic donkey</td>
<td>315,90</td>
</tr>
</tbody>
</table>
8.2.10.3.15.9. Verifiability and controllability of the measures and/or types of operations

8.2.10.3.15.9.1. Risk(s) in the implementation of the measures

This operation has been implemented for several years and risks in implementation are very unlikely, the commitments are the same as in previous period.

8.2.10.3.15.9.2. Mitigating actions

To understand meaning of commitments and implication on environment if not complied with, proper training and clear instructions will be provided for the beneficiary.

8.2.10.3.15.9.3. Overall assessment of the measure

This type of operation is verifiable and controllable.

8.2.10.3.15.10. Information specific to the operation

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law

1. the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council is established in national legislation: Ordinance on cross-compliance (Pravilnik o višestrukoj sukladnosti);
2. the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council;
3. the relevant minimum requirements for fertilisers and plant protection products use: Action Programme for Water Protection Against the Pollution Caused by Nitrates of Agricultural Origin (Akcijski program zaštite voda od onečišćenja uzrokovano nitratima poljoprivrednog podrijetla) and Act on sustainable use of pesticides (Zakon o održivoj uporabi pesticida).

The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution; the minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking
of application machinery and rules on pesticide use close to water and other sensitive sites, as established by national legislation

1. The minimum requirements for fertilisers (the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution as established in national legislation: Action Programme for Water Protection Against the Pollution Caused by Nitrates of Agricultural Origin (Akcijski program zaštite voda od onečišćenja uzrokovano nitratima poljoprivrednog podrijetla));

2. the minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites as established by national legislation: Act on sustainable use of pesticides (Zakon o održivoj uporabi pesticida).

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Cattle: Busa cattle, Iстiran cattle, Slavonian Syrmian podolian cattle;

Pigs: Black Slavonian pig, Turopolje pig;

Sheep: Istrian sheep, Cres island sheep, Krk island sheep, Pag island sheep, Ruda (Dubrovnik) sheep, Lika “pramenka” sheep, Dalmatian “pramenka” sheep, Tzigai sheep, Rab island sheep;

Goats: Croatian spotted goat, Croatian white goat, Istrian goat;

Poultry: Zagorje turkey, Croatian hen;

Horses: Croatian coldblood, Croatian Posavic, Međimurje horse, Lipizzaner;

Donkeys: Iстrian donkey, Littoral Dinaric donkey, North Adriatic donkey.

Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 28(3) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 1307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation

The opportunity-cost approach was used to calculate payment rate. Croatia has no standard GMs for some livestock types, such as turkeys, donkeys and horses. It is therefore impossible to make a fair comparison using GMs of the economic performance of conventional breeds of turkeys, donkeys and horses with native and endangered breeds. In the case of Croatia this means that for 8 of the total 26 native and
endangered breeds (nearly one third), it is not possible to calculate compensation rates by employing GM comparisons. A simple and straightforward approach has thus been used whereby compensation rates are defined as the difference between output and variable costs (which in the case of all native and endangered breeds transpires to be a negative value; i.e. costs are higher than the output).

The double funding will be excluded in the case of practices under Article 43 of Regulation (EU) No 1306/2013, also on the basis of the information which are contained in the delegated acts which has been produced in accordance with Article 83 of Regulation (EU) No 1305/2013.
8.2.10.3.16. O_16: Preservation of endangered autochthonous and traditional varieties of agricultural plants

Sub-measure:

- 10.2 - support for conservation and sustainable use and development of genetic resources in agriculture

8.2.10.3.16.1. Description of the type of operation

Focus area 4A.

Croatia is one of the richest countries in terms of biodiversity. According to the diversity of plant species occupies high third place in the European Union. The intensification and increased refinement leads to a decline of autochthonous and traditional varieties of agricultural plants. The genetic potential that we have is very valuable, especially from the biodiversity view and the need to adapt agriculture to climate change. The priority is to preserve the traditional plant species, which are adapted to the local conditions, and use them as the basis for creating new and improving the performance of existing agricultural plants varieties.

Having that in mind Croatia established the National Programme for conservation and sustainable use of plant genetic resources for food and agriculture, with main aim to contribute to national development, food security, sustainable agriculture and conservation of biodiversity through the conservation and use of plant genetic resources by implementing the following activities:

- inventory of existing plant genetic resources collections;
- eco-geographical survey and collection of plant genetic resources;
- conservation of plant genetic resources in situ and ex situ;
- accessions maintenance and regeneration;
- description, and evaluation of plant genetic resources at morphological, biochemical and molecular level;
- information-documentation system development;
- rules establishment in the exchange and use of plant genetic resources;
- capacity building for the plant genetic resources storage;
- development of legislation in the field of plant genetic resources;
- informing the public about the importance of conservation of plant genetic resources.

The National programme is regularly updated and supplemented. For purposes of implementation of the National programme, Committee for plant genetic resources brings Annual programme of activities. The
Committee coordinates the work of all entities involved in the National Bank of Plant Genes, and integrating data on receipts guarded in all collections within the National Plant Gene Bank conducts HCPHS - Institute for Seeds and Seedlings.

Conservation of plant genetic resources is performed by:

1. autochthonous and traditional varieties producers;
2. institution for the preservation of genetic resources - genes bank;
3. seed / planting material manufacturer;
4. maintainers;
5. NGOs contribute to the conservation of plant genetic resources.

Autochthonous and traditional varieties list establishment is within jurisdiction of the Committee for genetic resources, established at the Ministry of Agriculture. The main Committee tasks are coordinating the work of all entities involved in the National Bank of Plant Genes and integrating data on receipts guarded in all collections within the National Plant Gene Bank.

List of Genetic resources conservation institutions:

Support will be provided to beneficiaries who contribute to preservation of endangered autochthonous and traditional varieties of agricultural plants that were not the subject to plant selection, but were grown, maintained and multiplied in Croatia. These varieties are adapted to the climatic and environmental conditions and therefore have a high genetic value.

The commitments that beneficiary must fulfil in this type of operation are:

1. Finish at least 18 hours of training related to the agri-environment-climate measure within 18 months after approval of Application. Each following year the minimum of 6 hours of training, individual advice and/or attendance in demonstration activity is required;
2. Keep record about the implemented activities related to the commitments of this operation;
3. Cultivate listed plants, recognized by Committee for genetic resource as endangered autochthonous and traditional varieties;
4. Develop the fertilization plan for five year period.
### Genetic resources conservation institutions

<table>
<thead>
<tr>
<th>No.</th>
<th>Institution</th>
<th>Collection</th>
<th>Activities (in addition to maintaining the collection)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Institute for Seeds and Seedlings, Osijek</td>
<td>National security collection of seeds</td>
<td>Consolidation of data on receipts included in the National Bank, Participation in the collection, multiplication and description - Working Group Cereals and Maize, Industrial Crops</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Active collection of seed of varieties withdrawn from the List of Varieties</td>
<td>Participation in the Working Group Documentation</td>
</tr>
<tr>
<td>2</td>
<td>College of Agriculture, Križevci</td>
<td>Active collection of vegetable seeds</td>
<td>Participation in the collection, multiplication and description - Working Group Vegetables</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Active collection of seeds of forage legumes and grass</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Active collection of corn and grains</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>National Field Collection of Grape vines</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>National Field Collection of Apples</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Institute for Agriculture and Tourism, Poreč</td>
<td>Security Field Collection of grape vines autochthonous and domesticated varieties of Istra</td>
<td>Participation in the collection, multiplication and description - Working Group Vegetables, Working Group Fruit and Grape Vines</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Security Field Collection of grape vines autochthonous varieties of Dalmatia</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>The Faculty of Agriculture, University of Osijek</td>
<td>-</td>
<td>Participation in the collection, multiplication and description - Working Group Vegetables</td>
</tr>
<tr>
<td>7</td>
<td>Agricultural Institute in Osijek</td>
<td>-</td>
<td>Participation in the collection, multiplication and description - Working Group Forage Crops</td>
</tr>
<tr>
<td>8</td>
<td>Podravka Koprivnica</td>
<td>-</td>
<td>Participation in the collection, multiplication and description - Working Group Vegetables</td>
</tr>
<tr>
<td>9</td>
<td>Horticultural Centre Zagreb</td>
<td>-</td>
<td>Participation in the collection, multiplication and description - Working Group Vegetables</td>
</tr>
<tr>
<td>10</td>
<td>State Institute for Nature Protection</td>
<td>-</td>
<td>Participation in raising public awareness and promoting in situ conservation</td>
</tr>
</tbody>
</table>

8.2.10.3.16.2. Type of support

Support is in the form of annual payments per area unit as compensation to beneficiary for loss of income and additional costs as a result of compliance with the special conditions that go beyond the minimum prescribed requirements and usual farming practice.
8.2.10.3.16.3. Links to other legislation

The Action Programme for Water Protection Against the Pollution Caused by Nitrates Of Agricultural Origin (OG No 15/13)

Ordinance on Cross Compliance

Regulation No 1306/2013 of the financing, management and monitoring of the common agricultural policy.

Regulation No 1307/2013 of the establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy.

8.2.10.3.16.4. Beneficiaries

Farmer as defined in the article 4, 1° paragraph, letter a) of the Reg. (UE) n. 1307/2013 and group of farmers. The applicable national law is Law on Agriculture.

8.2.10.3.16.5. Eligible costs

The beneficiary will get compensation for extra costs and losses in revenue resulting from cultivating plant varieties that have no commercial value.

This support is given to compensate those commitments going beyond the relevant mandatory standards established under Chapter I of Title VI of Regulation (EU) No 1306/2013 (cross-compliance), the relevant criteria and minimum activities as established under points (c) (ii) and (c) (iii) of Article 4(1) of Regulation (EU) No 1307/2013, relevant minimum requirements for fertilisers and plant protection products use, and relevant mandatory requirements established by national law.

8.2.10.3.16.6. Eligibility conditions

ARKOD parcel with endangered autochthonous and traditional varieties of agricultural plants.

8.2.10.3.16.7. Principles with regards to the setting of selection criteria

Beneficiaries on the Natura 2000 sites have priority in the allocation of funds. The aim is to encourage farmers in Natura 2000 aims to apply for Agri-environment-climate measure in order to minimise the negative impact of agriculture on biodiversity.
8.2.10.3.16.8. (Applicable) amounts and support rates

Support amount is:

<table>
<thead>
<tr>
<th>Crop type</th>
<th>Support EUR/ha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solanaceae (tomato, eggplant and similar)</td>
<td>425</td>
</tr>
<tr>
<td>Cruciferous vegetables (Brassicaceae) (Cabbage, horseradish and similar)</td>
<td>504</td>
</tr>
<tr>
<td>Allium (onion, garlic and similar)</td>
<td>552</td>
</tr>
<tr>
<td>Apiaceae (carrot, parsley and similar)</td>
<td>655</td>
</tr>
<tr>
<td>Asteraceae (salad, artichoke and similar)</td>
<td>224</td>
</tr>
<tr>
<td>Cucurbitaceae (watermelon and similar)</td>
<td>313</td>
</tr>
<tr>
<td>Pomaceous fruit (apples and similar)</td>
<td>603</td>
</tr>
<tr>
<td>Stone fruits (sherry and similar)</td>
<td>456</td>
</tr>
<tr>
<td>Tree nuts (hazelnut and similar)</td>
<td>487</td>
</tr>
<tr>
<td>Southern fruit (olives and similar)</td>
<td>937</td>
</tr>
<tr>
<td>Grapevine - continental Croatia</td>
<td>180</td>
</tr>
<tr>
<td>Grapevine – Mediterranean area</td>
<td>327</td>
</tr>
</tbody>
</table>

8.2.10.3.16.9. Verifiability and controllability of the measures and/or types of operations

8.2.10.3.16.9.1. Risk(s) in the implementation of the measures

This operation has been already implemented and risks in implementation are very unlikely, the commitments are the same as in previous period.

8.2.10.3.16.9.2. Mitigating actions

To understand meaning of commitments and implication on environment if not complied with, proper training and clear instructions will be provided for the beneficiary.

8.2.10.3.16.9.3. Overall assessment of the measure

This type of operation is verifiable and controllable.
8.2.10.3.16.10. Information specific to the operation

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law

1. the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council is established in national legislation: Ordinance on cross-compliance (Pravilnik o višestrukoj sukladnosti);
2. the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council;
3. the relevant minimum requirements for fertilisers and plant protection products use: Action Programme for Water Protection Against the Pollution Caused by Nitrates of Agricultural Origin (Akcijski program zaštite voda od onečišćenja uzrokovanog nitratima poljoprivrednog podrijetla) and Act on sustainable use of pesticides (Zakon o održivoj uporabi pesticida).

The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution; the minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites, as established by national legislation

1. The minimum requirements for fertilisers (the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution as established in national legislation: Action Programme for Water Protection Against the Pollution Caused by Nitrates of Agricultural Origin (Akcijski program zaštite voda od onečišćenja uzrokovanog nitratima poljoprivrednog podrijetla);
2. the minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites as established by national legislation: Act on sustainable use of pesticides (Zakon o održivoj uporabi pesticida).

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion
Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 28(3) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 1307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation.

The payment rate was calculated based on gross margin of conventional crops cultivation compared to cultivation of autochthonous and traditional plants that yield less and have lower market value. Transaction costs for record keeping and costs of replacement worker while beneficiary attends training were added.

The double funding will be excluded in the case of practices under Article 43 of Regulation (EU) No 1306/2013, also on the basis of the information which are contained in the delegated acts which has been produced in accordance with Article 83 of Regulation (EU) No 1305/2013.
8.2.10.3.17. **O_17: Preservation, sustainable use and development of genetic resources in agriculture**

Sub-measure:

- 10.2 - support for conservation and sustainable use and development of genetic resources in agriculture

8.2.10.3.17.1. Description of the type of operation

Focus area 4A.

Croatia has a high value of genetic resources, where total number of known species and subspecies is 40,000, with the assumption that there exists up to three times more species. The genetic potential that we have is very valuable, especially from the biodiversity view and the need of agriculture climate change adaption. The priority is to preserve the traditional, local conditions adapted plant and animal species that are the basis for creating new or improving the performance of existing varieties of agricultural plants and domestic animals breeds.

Support will be provided to beneficiaries who prevent erosion of plant and animal genetic resources and contribute to the improvement of their sustainable use, development and conservation aiming to achieve global food safety, sustainable agriculture and biodiversity conservation.

8.2.10.3.17.2. Type of support

Annual support – flat rate

8.2.10.3.17.3. Links to other legislation

Regulation No 1306/2013 of the financing, management and monitoring of the common agricultural policy.

Regulation No 1307/2013 of the establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy.

8.2.10.3.17.4. Beneficiaries

Natural and legal entities (private and public).

8.2.10.3.17.5. Eligible costs

All costs related to activities that contribute to the conservation, development and sustainable use of
genetic resources.

Costs related to the ex-situ and in-situ conservation of genetic material, characterization, collection and utilization of genetic resources. Also activities related to informing, educating and promoting NGOs and other stakeholders on the importance, preservation and use of genetic resources in agriculture.

8.2.10.3.17.6. Eligibility conditions

Natural and legal entities (private and public) whose activity relates to the conservation, development and sustainable use of plant genetic resources.

8.2.10.3.17.7. Principles with regards to the setting of selection criteria

N/a

8.2.10.3.17.8. (Applicable) amounts and support rates

A certain amount will be defined later; pay-out is based on the activity performed.

8.2.10.3.17.9. Verifiability and controllability of the measures and/or types of operations

8.2.10.3.17.9.1. Risk(s) in the implementation of the measures

There is the possibility to overlap with national funding.

8.2.10.3.17.9.2. Mitigating actions

Beneficiaries have the obligation to keep records of all activities related to the implementation of this operation. The public entities are obliged to deliver the Program where the method of financing and the description of the activities for which support has been requested is described; if support is requested for information, promotion and education activities the beneficiary must submit documentation after completion of activities describing the number of participants, cost and finances resources.

8.2.10.3.17.9.3. Overall assessment of the measure

This type of operation is verifiable and controllable.
8.2.10.3.17.10. Information specific to the operation

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law

Not applicable.

The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution; the minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites, as established by national legislation

Not applicable.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Not applicable.

Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 28(3) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 1307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation

Not applicable.

8.2.10.4. Verifiability and controllability of the measures and/or types of operations

8.2.10.4.1. Risk(s) in the implementation of the measures

1. Farmers are not fully aware of undertaken commitments or beneficiary forgot to fulfil a commitment
which had to be implemented at a specific moment in time what can lead to higher error rate;

2. Risk of double funding for the commitments of a similar nature;

3. The system of reduction of support in cases of non-compliance with agri-environmental commitments is not proportionate;

4. Beneficiaries are not timely informed and do not take into account the changes caused by the update of the Land Parcel Information System (LPIS) or other legal changes;

5. Lack of exchange of information between authorities involved in implementing the measure;

6. Beneficiaries provide incorrect area declarations or the size of the eligible area is changed between the date the application was submitted and the start of the commitment period;

7. Beneficiaries do not keep the documentation required under the commitments (e.g. logbook on the agricultural practices applied);

8. Weather conditions did not allow the beneficiary to implement the commitment.

8.2.10.4.2. Mitigating actions

1. Beneficiary is obliged to attend compulsory education regarding AEM what is programmed under measure M01 within 18 months from submitting an application. Beneficiary will have to prove this requirement by copy of attendance certificate. Paying Agency will have specific cross-check on this requirement;

2. All double funding will be excluded by IACS as part of regular cross-checks prior to verification of payments;

3. Paying agency has developed system of reduction of support prior verification of payment which has to be upgraded with requirements related to implementation of AEM;

4. Timely and correct administration and update of LPIS by Paying Agency is prescribed as general condition in order to ensure proper IACS functioning. All cross-checks should be conducted on relevant data in LPIS while beneficiary will be formally informed on any changes caused by the update of the Land Parcel Information System (LPIS) or other legal changes;

5. All exchange of information between authorities involved in implementing the measure are to covered with protocols/agreements on the content and timeline of information exchange;

6. Area eligibility is regular IACS cross-check on LPIS. Related cross-check will take into account start of commitment period in state of application submission date;

7. The beneficiary must keep records of production and activities taken to ensure compliance with the rules set by AEM. Those records should be presented to PA’s on-the-spot controller on demand;
8. Force-majeure procedure will define exemptions of commitments which can be taken in case of nature related issues.

8.2.10.4.3. Overall assessment of the measure

This measure is verifiable and controllable.

8.2.10.5. Information specific to the measure

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law

1. The relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council is established in national legislation: Ordinance on cross-compliance (Pravilnik o višestrukoj sukladnosti).
2. The relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council;
3. The relevant minimum requirements for fertilisers and plant protection products use: Action Programme for Water Protection Against the Pollution Caused by Nitrates of Agricultural Origin (Akcijski program zaštite voda od onečišćenja uzrokovano nitratima poljoprivrednog podrijetla) and Act on sustainable use of pesticides (Zakon o održivoj uporabi pesticida).

The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution; the minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites, as established by national legislation

1. The minimum requirements for fertilisers (the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution as established in national legislation: Action Programme for Water Protection Against the Pollution Caused by Nitrates of Agricultural Origin (Akcijski program zaštite voda od onečišćenja uzrokovano nitratima poljoprivrednog podrijetla));
2. The minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirements on safe storage,
the checking of application machinery and rules on pesticide use close to water and other sensitive sites as established by national legislation: Act on sustainable use of pesticides (Zakon o održivoj uporabi pesticida).

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

This is listed on type of operation level.

Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 28(3) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 1307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation.

Payment rates were calculated by the Department of Management and Rural Entrepreneurship from Faculty of Agriculture, University of Zagreb; Cardno Emerging Markets (UK) Ltd; OK1, Avalon and Ecologica consortium. All institutions are independent of Ministry of Agriculture.

Data source for calculations: standard GM Calculation from Faculty of Agriculture and Agricultural Advisory Service, Central Bureau of Statistics, Market Information System in Agriculture, scientific literature, questionnaire data.

Methodology: baseline requirements were identified for each operation taking into account relevant mandatory standards and requirements of both EU and national legislation. Also, usual, mostly by common practice was considered for each of the operations.

In most cases calculation was based on difference between average production and production with certain AE commitments, defining income losses and additional costs, including counteractive savings where applicable (for example price premiums or the saving of fertilizers or machinery).

Transaction costs can were included at a maximum of 20 %, mostly they comprise record keeping, development of fertilization and crop rotation plan and cost of replacement worker while beneficiary attends training.

The double funding will be excluded in the case of practices under Article 43 of Regulation (EU) No 1306/2013, also on the basis of the information which are contained in the delegated acts which has been produced in accordance with Article 83 of Regulation (EU) No 1305/2013.
8.2.10.6. Other important remarks relevant to understand and implement the measure

The measure implementation start is envisaged only partially in 2015, including these operations:

**M10.1. Payment for agri-environment-climate commitments comprises 14 types of operation:**

1.5. Preservation of high nature value grasslands;
1.6. Pilot measure for the protection of corncrake (Crex crex);
1.7. Pilot measure for the protection of butterflies;
1.8. Establishment of field strips;
1.9. Maintaining extensive orchards;
1.10. Maintaining extensive olive groves;
1.11. Preservation of landscape features - stone walls;
1.12. Preservation of landscape features - hedges;

**M10.2. Support to conservation of genetic resources in agriculture comprises 3 types of operation:**

2.1. Preservation of endangered autochthonous and protected breeds of domestic animals;
2.2. Preservation of endangered autochthonous and traditional varieties of agricultural plants;
2.3. Preservation, sustainable use and development of genetic resources in agriculture.

The implementation of the other operations is envisaged for 2017.
## Combination of possible Agro-environment operations on the same area

| Type of operation | 1.1. | 1.2. | 1.3. | 1.4. | 1.5. | 1.6. | 1.7. | 1.8. | 1.9. | 1.10. | 1.11. | 1.12. | 1.13. | 1.14. | 2.1. | 2.2. | 2.3. |
|-------------------|------|------|------|------|------|------|------|------|------|-------|------|------|------|------|------|------|
| 1.1.              | X    | .    | .    | .    | .    | .    | .    | .    | .    | .      | .    | .    | .    | .    | .    | .    |
| 1.2.              | .    | X    | .    | .    | .    | .    | .    | .    | .    | .      | .    | .    | .    | .    | .    | .    |
| 1.3.              | X    | .    | .    | .    | .    | .    | .    | .    | .    | .      | .    | .    | .    | .    | .    | .    |
| 1.4.              | .    | X    | .    | .    | .    | .    | .    | .    | .    | .      | .    | .    | .    | .    | .    | .    |
| 1.5.              | X    | .    | .    | .    | .    | .    | .    | .    | .    | .      | .    | .    | .    | .    | .    | .    |
| 1.6.              | .    | X    | .    | .    | .    | .    | .    | .    | .    | .      | .    | .    | .    | .    | .    | .    |
| 1.7.              | .    | X    | .    | .    | .    | .    | .    | .    | .    | .      | .    | .    | .    | .    | .    | .    |
| 1.8.              | Y    | .    | .    | .    | .    | .    | .    | .    | .    | .      | .    | .    | .    | .    | .    | .    |
| 1.9.              | .    | .    | .    | .    | .    | .    | .    | .    | .    | X      | .    | .    | Y    | Y    | Y    | Y    |
| 1.10.             | .    | .    | .    | .    | .    | .    | .    | .    | .    | X      | Y    | Y    | Y    | Y    | Y    | Y    |
| 1.11.             | Y    | Y    | Y    | Y    | Y    | Y    | Y    | Y    | Y    | X      | Y    | Y    | Y    | Y    | Y    | Y    |
| 1.12.             | Y    | Y    | Y    | Y    | Y    | Y    | Y    | Y    | X    | Y      | Y    | Y    | Y    | Y    | Y    | Y    |
| 1.13.             | .    | .    | .    | .    | .    | .    | .    | Y    | X    | X      | .    | .    | .    | .    | .    | .    |
| 1.14.             | .    | .    | .    | .    | .    | .    | .    | Y    | .    | X      | Y    | X    | Y    | Y    | Y    | Y    |
| 2.1.              | .    | Y    | Y    | Y    | Y    | Y    | Y    | Y    | Y    | X      | .    | .    | .    | .    | .    | .    |
| 2.2.              | Y    | Y    | Y    | Y    | Y    | Y    | Y    | Y    | Y    | Y      | Y    | X    | .    | .    | .    | .    |
| 2.3.              | .    | .    | .    | .    | .    | .    | .    | .    | .    | .      | .    | .    | .    | .    | .    | X    |

M10_08
8.2.11. M11 - Organic farming (art 29)

8.2.11.1. Legal basis


8.2.11.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

| Organic farming emerged as a response to the obvious negative effects of conventional farming on the environment and natural resources, and thus on human health. Growing interest of consumers for healthy, organic food and growing interest of producers indicate the need for this measure. |
| The aim of the measure is to preserve the quality of water, air and soil and increase soil fertility which ultimately contributes to human and animal health by producing healthy, chemically untreated food. It is a sustainable agricultural production, which is in harmony with nature and natural laws contributing to the preservation of biological diversity, including Natura 2000 areas and areas of high natural value. In a broader context, it contributes to the development of specific rural areas, the preservation of cultural heritage and of typical Croatian landscape. |
| Since organic farming is far more demanding system of agricultural production, the aim of the measure is to encourage farmers to take on obligations that go beyond the requirements of cross-compliance and prescribed management requirements, and to encourage farmers who have already accepted these commitments to continue with organic farming. |

**Contribution to focus areas**

The operations in this measure contribute to Priority 4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry, with a focus on the following areas:

Focus area 4A: Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints, and high nature value farming, as well as the state of European landscapes;

Focus area 4B: Improving water management, including fertilisers and pesticides management;
Focus area 4C: Preventing soil erosion and improving soil management.

Prescribed agricultural practices reduce erosion and increase soil fertility. As synthetic fertilizers and pesticides are not used, organic agriculture has no negative impact on environment. At the same time, it contributes to conservation, restoration and enhancement of biodiversity.

Operations shall also contribute to Priority 5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors, with a focus on the following areas:

Focus area 5E: Fostering carbon conservation and CO2 sequestration in agriculture and forestry as prescribed agricultural practices impose sustainable soil management have positive impact on CO2 conservation and sequestration.

Contribution to cross-cutting objectives

The measure contributes to the cross-cutting objectives related to climate changes and environment – not using fertilizers and pesticides contributes to the preservation of water, air and soil and encourage biodiversity. Requirements defined in the measure contribute to the effective use of water resources and increase the CO2 storage as well.

The measure consists of 2 sub-measures:

M11.1. Payment to convert organic farming practices and methods

M11.2. Payment to maintain organic agricultural practices and methods

Participation in the measure is voluntary with a five-year period of compliance with the commitments. Mandatory transition period to organic crop production takes two years for arable land, and three years for perennials plantations with the possibility of shortening the transitional period in accordance with the Regulation on organic production OG No 86/13 and Commission Regulation (EC) No 889/2008 of 5 September 2008.

Support is in the form of annual payment per area unit as compensation to beneficiary for loss of income and additional costs as a result of compliance with the special conditions that go beyond the minimum prescribed requirements. Beneficiaries must comply with the cross-compliance provisions and other prescribed management requirements.

In case of amendments to the relevant mandatory standards, if the scopes of the new obligations or requirements go beyond those specified in the measure description, the beneficiary can withdraw participation in the measure without reimbursement for the period in which the obligation was in force.

Minimum area of an ARKOD (LPIS) parcel for which an application can be submitted is 0.05 ha, the farm agricultural area must be at least 0.5 ha.

Eligible beneficiaries are agricultural holdings as defined in Law on Agriculture, registered in the Farm Register, use the land registered in ARKOD, and are in transition to organic production in accordance with the Council Regulation (EC) No 834/2007.

8.2.11.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regards to the setting of selection criteria

8.2.11.3.1. O_01: Payment to convert to organic farming practices and methods

Sub-measure:

- 11.1 - payment to convert to organic farming practices and methods

8.2.11.3.1.1. Description of the type of operation

Focus area 4A.

The type of operation aims to encourage farmers who are engaged in agricultural production based on the conventional methods to convert to organic farming, giving them a support for the transition to much more demanding, but environmentally much friendlier methods of organic farming.

The commitments beneficiary must fulfil in this type of operation are:

1. Finishing at least 18 hours of training related to the agri-environment-climate measure within 18 months after approval of Application. Each following year the minimum of 6 hours of training, individual advice and/or attendance in demonstration activity is required.
2. Keeping record about the implemented activities related to the commitments of this operation.
3. At least once a year expert control by authorized control bodies must be conducted. The authorized control bodies validate a certificate to producer who is part of expert control system and who meets the prescribed requirements for organic production within the scope of his/her activities.
4. The use of chemically synthesized preparations is strictly limited.
5. Apply the methods for soil preparation and cultivation that facilitate maintaining or increasing of the soil organic matter, ensure stability and soil biodiversity, and prevent soil compaction and erosion.
6. Fertilizers and soil improvers can be used only if approved for use in organic production. The plant health is achieved with preventive measures (choice of appropriate species and varieties resistant to harmful organisms, proper crop rotation, mechanical and physical measures, and maintaining a diverse population of beneficial organisms).
7. In the case of a determined threat to agricultural crops, plant protection products can be used only if they are approved for use in organic production.
8. Maintain and increase soil fertility and biological activity through multi-year crop rotation including legumes and other green manure, and applying manure or organic material preferably composted, from organic production.

9. Crop rotation should be varied and adjusted for long-term maintenance of soil fertility and weed control, where crops with different rooting depths and different needs for nutrients and water are alternated. Crop rotation should include legumes and/or clover grass mixture on least on one third of arable land, while cereals or wide row crops must not cover more than two thirds of arable land.
<table>
<thead>
<tr>
<th>Requirements</th>
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<th>Organic farming commitments</th>
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<tr>
<td>Education</td>
<td>Not prescribed</td>
<td>The beneficiary must complete vocational education program for Organic farming within first two years of commitment period. The commitment is not mandatory for beneficiaries who completed secondary or higher level education related to agriculture.</td>
</tr>
<tr>
<td>Record keeping</td>
<td>Not prescribed</td>
<td>The beneficiary must keep records of production and activities taken to ensure compliance with the rules of organic production.</td>
</tr>
<tr>
<td>Expert control</td>
<td>Not prescribed</td>
<td>Expert control by authorized control bodies for all producers involved in organic production system is mandatory at least once a year.</td>
</tr>
<tr>
<td>Certificate</td>
<td>Not prescribed</td>
<td>The authorized control bodies validate a certificate to producer who is part of expert control system and who meets the prescribed requirements for organic production within the scope of his/her activities.</td>
</tr>
<tr>
<td>Soil management</td>
<td>There is no limitation of chemically synthesized preparations.</td>
<td>The use of chemically synthesized preparations is strictly limited. Methods for soil preparation and cultivation that facilitate maintaining or increasing of the soil organic matter, ensure stability and soil biodiversity, and prevent soil compaction and erosion shall apply.</td>
</tr>
<tr>
<td>Fertilization</td>
<td>The use of organic fertilizers and soil improvers is not prescribed</td>
<td>Fertilizers and soil improvers can be used only if approved for use in organic production. Fertility and biological activity of the soil is maintained and increased through multi-year crop rotation including legumes and other green manure, and the application of manure or organic material preferably composted, from organic production.</td>
</tr>
<tr>
<td>Crop rotation</td>
<td>Ordinance on agro-technical measures (OG No 142/13)</td>
<td>Crop rotation should be varied and adjusted for long-term maintenance of soil fertility and weed control, where crops with different</td>
</tr>
</tbody>
</table>

8.2.11.3.1.2. Type of support

Support is in the form of annual payments per area unit as compensation paid to the beneficiary for loss of income and additional costs as a result of commitments that go beyond the minimum prescribed requirements.
8.2.11.3.1.3. Links to other legislation

- Law on implementation of Council Regulation (EC) No 834/2007 of 28 June 2007 on organic production and labelling of organic products (OG No 80/13);
- Ordinance on organic production (OG No 86/13).

8.2.11.3.1.4. Beneficiaries

Eligible beneficiaries are farmers as defined in the article 4, 1° paragraph, letter a) of the Reg. (UE) n. 1307/2013 and group of farmers. The applicable national law is Law on Agriculture. The beneficiary must: be registered in the Farm Register, use the land registered in ARKOD, and be in transition from conventional to organic agriculture production in accordance with the Council Regulation (EC) No 834/2007.


8.2.11.3.1.5. Eligible costs

The beneficiary will get compensation for extra costs and the losses in revenues resulting from requirements that go beyond the minimum prescribed requirements for conventional production and commitments pursuant Council Regulation (EC) No 834/2007 of 28 June 2007 on organic production and labelling of organic products.
8.2.11.3.1.6. Eligibility conditions

The beneficiary is registered in the Organic Production Register.

8.2.11.3.1.7. Principles with regards to the setting of selection criteria

Beneficiaries on Natura 2000 sites have priority in the allocation of funds. The aim is to encourage farmers in Natura 2000 to apply for the Organic farming measure in order to minimise the negative impact of agriculture on biodiversity as much as possible.

8.2.11.3.1.8. (Applicable) amounts and support rates

Support has been increased by 20% compared to sub-measure 11.2 considering that the yield during the transition from conventional to organic farming is reduced, and the beneficiary cannot sell his/her products with organic label during the transition period.

<table>
<thead>
<tr>
<th>Crop</th>
<th>Support EUR/ha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Field crops</td>
<td>351.83 + 20% = 422.19</td>
</tr>
<tr>
<td>Orchards and vineyards</td>
<td>887.78 + 20% = 1065.33</td>
</tr>
<tr>
<td>Vegetable</td>
<td>746.64 + 20% = 895.97</td>
</tr>
<tr>
<td>Permanent grasslands</td>
<td>264.28 + 20% = 317.13</td>
</tr>
</tbody>
</table>

Organic farm conversion rates

8.2.11.3.1.9. Verifiability and controllability of the measures and/or types of operations

8.2.11.3.1.9.1. Risk(s) in the implementation of the measures

Farmers may over declare the area in conversion to organic production, especially those farmers which only convert part of the farm to organic agriculture while the rest of the farm is still under conventional production.

Farmers may declare an area already under organic agriculture as an area in conversion to organic production due to 20% higher annual payments.
8.2.11.3.1.9.2. Mitigating actions

All areas in transition to organic production has to be declared as such to LPIS (ARKOD) by the farmer prior to the submission of the application. Only an area which is recognized as an area in transition to organic production is eligible for this type of support. Farmers who maintain both conventional and organic production in the same holding will be considered as having a higher risk factor which shall be included in the sampling methodology adopted by the PAAFRD.

Administrative cross-checks will be made with land parcels already registered as organic production in order to prevent any claims for conversion. Furthermore, IACS should include cross-checks on the maximum time that an area can be declared as an area in transition to organic production.

8.2.11.3.1.9.3. Overall assessment of the measure

This type of operation is verifiable and controllable.

8.2.11.3.1.10. Information specific to the operation

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law

1. the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council is established in national legislation: Ordinance on cross-compliance (Pravilnik o višestrukoj sukladnosti);

2. the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council;

3. the relevant minimum requirements for fertilisers and plant protection products use: Action Programme for Water Protection Against the Pollution Caused by Nitrates of Agricultural Origin (Akcijski program zaštite voda od onečišćenja uzrokovanih nitratima poljoprivrednog podrijetla) and Act on sustainable use of pesticides (Zakon o održivoj uporabi pesticida).

Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 28(3) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 1307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation
Calculation of the level of support is based on the principle of income forgone and additional costs compared to conventional agriculture. According to Article 62(2) of Regulation (EU) No 1305/2013, calculations were performed by the independent institution.

Level of support to be paid is calculated as the difference between conventional GM and GM derived from organic production for the same type of crops. This difference is adjusted for transaction costs associated with organic production, resulting as the final payment expressed as an annual value in EUR per hectare. GM is calculated for each type of crop in organic farming for which GM was available for conventional production. Support for transition period is 20% higher due to reduced yield and lack of possibility to sell products with organic label.
8.2.11.3.2. O_02: Payment to maintain organic agricultural practices and methods

Sub-measure:

- 11.2 - payment to maintain organic farming practices and methods

8.2.11.3.2.1. Description of the type of operation

Focus area 4A

This type of operation aims to support those farmers already engaged in organic farming to continue applying environmentally friendly methods of organic farming.

The commitments beneficiary must fulfil in this type of operation are:

1. Finishing at least 18 hours of training related to the agri-environment-climate measure within 18 months after approval of Application. Each following year the minimum of 6 hours of training, individual advice and/or attendance in demonstration activity is required.

2. Keeping record about the implemented activities related to the commitments of this operation.

3. At least once a year expert control by authorized control bodies must be conducted. The authorized control bodies validate a certificate to producer who is part of expert control system and who meets the prescribed requirements for organic production within the scope of his/her activities.

4. The use of chemically synthesized preparations is strictly limited.

5. Apply the methods for soil preparation and cultivation that facilitate maintaining or increasing of the soil organic matter, ensure stability and soil biodiversity, and prevent soil compaction and erosion.

6. Fertilizers and soil improvers can be used only if approved for use in organic production. The plant health is achieved with preventive measures (choice of appropriate species and varieties resistant to harmful organisms, proper crop rotation, mechanical and physical measures, and maintaining a diverse population of beneficial organisms).

7. In the case of a determined threat to agricultural crops, plant protection products can be used only if they are approved for use in organic production.

8. Maintain and increase soil fertility and biological activity through multi-year crop rotation including legumes and other green manure, and applying manure or organic material preferably composted, from organic production.

Crop rotation should be varied and adjusted for long-term maintenance of soil fertility and weed control, where crops with different rooting depths and different needs for nutrients and water are alternated. Crop rotation should include legumes and/or clover grass mixture on least on one third of arable land, while cereals or wide row crops must not cover more than two thirds of arable land.
<table>
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<td>Expert control</td>
<td>Not prescribed</td>
<td>Expert control by authorized control bodies of all producers involved in organic production system is mandatory at least once a year. The authorized control bodies issue a certificate to producer who belongs to an expert control system and who meets the prescribed requirements for organic production within the scope of his/her activities</td>
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<td>Certificate</td>
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<td>The use of chemically synthesized preparations is strictly limited. Procedures for soil preparation and processing that facilitate maintaining or increasing of the soil organic matter, ensure stability and soil biodiversity, and prevent soil compaction and erosion shall apply</td>
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<td>Soil management</td>
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<td>The use of organic fertilizers and soil improvers is not prescribed</td>
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8.2.11.3.2.2. Type of support

Support is in the form of annual payments per area unit as compensation paid to the beneficiary for loss of income and additional costs as a result of obligations that go beyond the minimum prescribed requirements.
8.2.11.3.2.3. Links to other legislation

- Ordinance on organic production (OG No 86/13).

8.2.11.3.2.4. Beneficiaries

Eligible beneficiaries are farmers as defined in the article 4, 1° paragraph, letter a) of the Reg. (UE) n. 1307/2013 and group of farmers. The applicable national law is Law on Agriculture.

The beneficiary must: be registered in the Farm Register, use the land registered in ARKOD, and maintain organic agriculture production in accordance with the Council Regulation (EC) No 834/2007.


8.2.11.3.2.5. Eligible costs

The beneficiary will get compensation for extra costs and the losses in revenues resulting from requirements that go beyond the minimum prescribed requirements for conventional production and commitments pursuant Council Regulation (EC) No 834/2007 of 28 June 2007 on organic production and labelling of organic products.
8.2.11.3.2.6. Eligibility conditions

The beneficiary is registered in the Organic Production Register.

8.2.11.3.2.7. Principles with regards to the setting of selection criteria

Beneficiaries on Natura 2000 sites have priority in the allocation of funds. The aim is to encourage farmers in Natura 2000 to apply for the Organic farming measure in order to minimise the negative impact of agriculture on biodiversity as much as possible.

8.2.11.3.2.8. (Applicable) amounts and support rates

The applicable amounts are in the table below.

<table>
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<th>Crop</th>
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<td>264.28</td>
</tr>
</tbody>
</table>

8.2.11.3.2.9. Verifiability and controllability of the measures and/or types of operations

8.2.11.3.2.9.1. Risk(s) in the implementation of the measures

Farmers may over declare the area in organic production, in the case farmers which only maintain part of farm to organic agriculture while the rest of farm is still under conventional production.

8.2.11.3.2.9.2. Mitigating actions

All areas in organic production are registered as such in LPIS (ARKOD) prior to submission of application for support. Only areas recognized as under organic production are eligible for this type of support. Farmers which maintain conventional and organic production in the same agricultural holding will be considered as having a higher risk factor which shall be included in the sampling methodology adopted by the PAAFRD.
This type of operation is verifiable and controllable.

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law

1. the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council is established in national legislation: Ordinance on cross-compliance (Pravilnik o višestrukoj sukladnosti).

2. the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council.

3. the relevant minimum requirements for fertilisers and plant protection products use: Action Programme for Water Protection Against the Pollution Caused by Nitrates of Agricultural Origin (Akcijski program zaščite voda od onečiščenja uzrokovano nitratima poljoprivrednog podrijetla) and Act on sustainable use of pesticides (Zakon o održivoj uporabi pesticida).

Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 28(3) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 1307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation

Calculation of the level of support is based on the principle of income forgone and additional costs compared to conventional agriculture. According to Article 62(2) of Regulation (EU) No 1305/2013, calculations were performed by the independent institution.

Level of support to be paid is calculated as the difference between conventional GM and GM derived from organic production for the same type of crops. This difference is adjusted for transaction costs associated with organic production, resulting as the final payment expressed as an annual value in EUR per hectare. GM is calculated for each type of crop in organic farming for which GM was available for conventional production.
8.2.11.4. Verifiability and controllability of the measures and/or types of operations

8.2.11.4.1. Risk(s) in the implementation of the measures

R-1. Annual payments are allocated to farmers which do not respect prescribed requirements of Organic farming.

R-2. Risk of double funding for the commitments are of a similar nature as the greening practices but not used for the purpose of equivalence or the commitment concerns organic farming.

R-3. Beneficiaries provide incorrect area declarations or the size of the eligible area is changed between the date the application was submitted and the start of the commitment period.

R-4. Activities related to transition/ maintain of organic production conducted by farmer cannot be proven ex-post.

R-5. Beneficiaries of the measure do not comply with the definition of active farmers based on Article 9 of R. 1307/2013 (DPR).

R-6. The criteria and minimum agricultural activities from article 4(1)c of DPR (reg 1307/2013) are not respected by beneficiary.

R-7. Commitments taken by beneficiaries are not fully respected according to the RDP defined baseline including the SMR and GAEC.

8.2.11.4.2. Mitigating actions

K-1. All farmers in transition to organic production in accordance with the Council Regulation (EC) No 834/2007 are subject of control by authorized control bodies for organic agriculture. This control is mandatory for all producers involved in organic production system at least once a year. Results of those controls are used in administrative control and verification of payment as part of IACS cross-checks done by paying agency. Additional on-the-spot controls on sample basis are envisaged by paying agency as standard practise.

K-2. All double funding will be excluded by IACS as part of regular cross-checks prior to verification of payments.

K-3. Timely and correct administration and update of LPIS by Paying Agency is prescribed as general condition in order to ensure proper IACS functioning. All cross-checks should be conducted on relevant data in LPIS while beneficiary will be formally informed on any changes caused by the update of the Land Parcel Information System (LPIS) or other legal changes.

K-4. The beneficiary must keep records of production and activities taken to ensure compliance with the rules of organic production. Those records should be presented to PA’s on-the-spot controller on demand.

K-5. Compliance of beneficiary with the definition of active farmers should be regular IACS
K-6. Compliance of beneficiary with minimum agricultural activities should be regular IACS cross-check.

K-7. Commitments taken by beneficiaries should be checked by measure-specific IACS cross-check as part of administrative control and by on-the-spot control on sample basis. Compliance with SMR and GAEC are integral part of standard on-the-spot control.

8.2.11.4.3. Overall assessment of the measure

Due to relevant experience in implementation of this measure as national support no major problems are envisaged. The Measure is verifiable and controllable.

8.2.11.5. Information specific to the measure

Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 28(3) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 1307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation.

Calculation of the level of support is based on the principle of income forgone and additional costs compared to conventional agriculture. According to Article 62(2) of Regulation (EU) No 1305/2013, calculations were performed by the independent institution.

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law.

1. the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council is established in national legislation: Ordinance on cross-compliance (Pravilnik o višestrukoj sukladnosti).

2. the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council.

3. the relevant minimum requirements for fertilisers and plant protection products use: Action Programme
for Water Protection Against the Pollution Caused by Nitrates of Agricultural Origin (Akcijski program zaštite voda od onečišćenja uzrokovana nitratima poljoprivrednog podrijetla) and Act on sustainable use of pesticides (Zakon o održivoj uporabi pesticida).

8.2.11.6. Other important remarks relevant to understand and implement the measure


The farmer entering the organic farming system must request first expert control carried out by the Control Bodies authorized by the Ministry of Agriculture. The control authority shall deliver to PAAFRD the first expert control report that is submitted with the application for registration in the Register of organic producers. After documents are submitted by PAAFRD, issues a decision on registration in the Register of organic producers.

The farmer can use the label “organic production” only after the transitional period expired, which is a minimum of two years for arable land, meadows and pastures, and three years for perennials. Products in the transitional period shall be labeled as „product of the transition period.”

Control Body, based on expert control issues a certificate which indicates product status (organic production or product in the transitional period). During the calendar year at least one expert control is mandatory.

The Action Plan for Development of Organic Agriculture in the Republic of Croatia for the period from 2011 to 2016 was adopted in February 2011. The aim is to increase the share of organic farming in total agricultural land in Croatia by 2016 up to 8%.

Aside of this aim, strategic objectives were set:

• developing a stable and well-informed national market for certified organic agricultural and food products, including tourism, as well as easier access to the Croatian organic products in the EU market and other export markets by improving the safety and quality of certified products and increasing the amount of product,

• promoting sustainable rural development through diversification of agricultural activities, increase productivity, increase rural employment and income and reducing rural depopulation,

• preservation and enhancement of natural resources used in agriculture to reduce pollution by nitrates, phosphates and pesticides, and the conservation of biodiversity and ecosystems.

Link to other measures

M01 – Transfer of knowledge and information activities
M02 – Advisory services, farm management and farm relief services

M03 – Quality schemes for agricultural products and foodstuffs

- Support for organic production schemes in accordance with EU and national legislation for costs of expert control and certification by an authorised control body, costs of implementing organoleptic, microbiological or physical-chemical analyses and administrative costs

M04 – Investments in physical assets

- Intensity of the support can be increased by an additional 20%.
8.2.12. M13 - Payments to areas facing natural or other specific constraints (art 31)

8.2.12.1. Legal basis


8.2.12.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

Due to severe climate conditions or unfavourable soil properties in some parts of the Republic of Croatia, agricultural producers are reducing agricultural activity or even abandoning it altogether. The negative effects of land abandoning are reflected in the loss of biodiversity, erosion and neglected surfaces, thus increasing the risk of forest fires.

The measure contributes to the establishment, preservation and enrichment of biodiversity, including Natura 2000 areas and areas of high natural value, enabling the continuation of agricultural production in areas where using conventional agro-technical operations, due to aggravating natural conditions, does not provide average yields.

Continuation of agriculture in this area is crucial for the maintenance of biodiversity and the preservation of highly valuable landscapes will address Need 16. The objective of the measure is to compensate for additional production costs and reduced income (due to reduced yields) resulting from unfavourable natural conditions.

**Contribution to focus areas**

All the operations under this measure will correspond to Priority 4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry, with focus on the following areas:

Focus area 4A: Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints, and high nature value farming, as well as the state of European landscapes;

Maintaining agricultural activities ensures the preservation of agricultural biodiversity and high value landscapes formed through interaction between nature and man.
**Contribution to cross-cutting objectives**

This measure contributes to the realisation of cross-cutting objectives related to **climate changes and environment**. Continuation of agricultural production is beneficial for areas where sudden cessation of agricultural activities could increase erosion or fire and, over a longer period of time, a loss of biodiversity as well.

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8.2.12.3. **Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regards to the setting of selection criteria**

**8.2.12.3.1. O_01: COMPENSATION PAYMENT IN MOUNTAIN AREAS (MA)**

Sub-measure:

- 13.1 - compensation payment in mountain areas

8.2.12.3.1.1. **Description of the type of operation**

Focus area 4A.

This type of operation contributes to continuation of agricultural activities in mountain areas, which are defined pursuant the “Study on the designating areas facing natural and other specific constraints in agriculture with calculations”.

8.2.12.3.1.2. **Type of support**

The support is in the form of annual payment per hectare of agriculture area in mountain areas.

8.2.12.3.1.3. **Links to other legislation**


Payment pursuant this article will not apply in Croatia.

8.2.12.3.1.4. **Beneficiaries**

Eligible beneficiaries are active farmers in accordance with the definition of active farmers referred to in...

8.2.12.3.1.5. Eligible costs

Not applicable.

8.2.12.3.1.6. Eligibility conditions

Any ARKOD parcel, if at least 50% of its surface is situated in a JLS defined as mountain area.

8.2.12.3.1.7. Principles with regards to the setting of selection criteria

Not applicable.

8.2.12.3.1.8. (Applicable) amounts and support rates

EUR 226/ha.

8.2.12.3.1.9. Verifiability and controllability of the measures and/or types of operations

8.2.12.3.1.9.1. Risk(s) in the implementation of the measures

The risks are identified on measure level.

8.2.12.3.1.9.2. Mitigating actions

The mitigating actions are defined on measure level.

8.2.12.3.1.9.3. Overall assessment of the measure

Based on the appropriate mitigating actions indicated above, the measure is controllable and verifiable.
8.2.12.3.1.10. Methodology for calculation of the amount or support rate, where relevant

The expected operating results of agricultural production on the territory of Croatia outside the NCA was calculated as the base. The structural hectare included those crop production represented 5 percent or more in the production structure according to the ARKOD records.

The expected operating result on the surface of 1 ha is determined as a weighted average according to the share of different crops in the production structure and the expected business performance of each individual production.

Also, the expected operating results of agricultural production in mountainous area were calculated, taking into account the structure of production in that area, according to data from ARKOD, the suggestions of experts, Faculty of Agriculture, representatives of the Advisory Service and the current state of the analysis of case studies from farms situated in mentioned area. Agricultural category and culture in LFA areas have the highest offense meadows and pastures with clover-grass production mixture and a little bit of alfalfa.

In this part with respect to the base area the following changes were introduced:

• Reduction in yield of up to 30%
• Reducing the cost of mechanization in the production of forage between 15 and 35% of the small number of swaths.

Another limiting factor for agricultural production in LFA area slope of the terrain. In areas with a slope exceeding 15% the increase in the cost of machinery by 20% was envisaged.

The support is defined as the difference between financial profit from agricultural production from outside and within the mountain area. The final result of the LFA payments (weighted LFA payments) is obtained by weighting payments on mountain area and an area with slope respecting their shares in the surface of mountain area.

8.2.12.3.1.11. Information specific to the operation

Definition of the threshold level of area per holding on the basis of which MS calculates degressivity of payments

Support is the full amount for area of 50 ha, from 50-100 ha reduced by 4%, from 100-300 ha reduced by 6%, from 300-500 ha reduced by 8% and for areas larger than 500 ha reduced by 10%.

[Designation of areas facing natural and other specific constraints] Description of the local unit-level applied for the designation of the areas.

A Mountain area is defined on the LAU2 level, corresponding to a “jedinica lokalne samouprave” (JLS) in Croatia. There are 556 self-government JLS units in Croatia, subdivided in 429 municipalities and 127 towns.
[Designation of areas facing natural and other specific constraints] Description of the application of the method including the criteria referred to in Article 32 of Regulation (EU) No 1305/2013 for the delimitation of the three categories of areas referred to in that Article including the description and results of the fine-tuning exercise for areas facing natural and other specific constraints other than mountain areas.

The main criteria for the determination of the mountain area are average altitude and slope, calculated using DEM (digital elevation model) with a horizontal resolution of 25*25:

1. Areas 600 m above sea level;
2. Areas within the zone of 500-600 meters above sea level with the slope bigger than 15%.

The JLS is defined as mountain area if any of the above-mentioned criteria is found on more than 50% of its territory.

Those JLS areas that are not designated as MA, but have a border with a mountain area, the sea, a state border and the river, can be classified as MA in the following cases:

- at least 50% of the total JLS boundary is connected with the MA, provided that the min. 30% of the total JLS area has the characteristics of MA;

- at least 50% of the total JLS boundary is connected with MA, river, sea and/or state border, provided that the min. 40% of the total JLS has the characteristics of MA;

- at least 90% of the total JLS is connected with MA, river, sea and/or state border, provided that the min. 25% of the total JLS area has the characteristics of MA;

- area of three JLSs at the most, provided that they are surrounded with MA 100%.
8.2.12.3.2. O_02 COMPENSATION PAYMENT FOR OTHER AREAS FACING SIGNIFICANT NATURAL CONSTRAINTS (NC)

Sub-measure:

- 13.2 - compensation payment for other areas facing significant natural constraints

8.2.12.3.2.1. Description of the type of operation

Focus area 4A.

Conservation of agriculture in areas with natural agricultural constraints contributes to continuation as well as the promotion of new agricultural activities in areas with natural agricultural constraints.

8.2.12.3.2.2. Type of support

The support is in the form of annual payment per hectare of agriculture area defined as natural constraints area.

8.2.12.3.2.3. Links to other legislation


Payment pursuant this article will not apply in Croatia.

8.2.12.3.2.4. Beneficiaries

Eligible beneficiaries are active farmers in accordance with the definition of active farmers referred to in Article 9 of the Regulation on direct payments - Regulation (EU) No 1307/2013 of the European Parliament and of the Council of 17 December 2013 establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy and repealing Council Regulation (EC) No 637/2008 and Council Regulation (EC) No 73/2009 conducting agricultural activity in the area of local government unit, which is defined as natural constraints area.

8.2.12.3.2.5. Eligible costs

Not applicable.
8.2.12.3.2.6. Eligibility conditions
Any ARKOD parcel if at least 50% of its surface is situated in a JLS defined as area affected by natural constraints.

8.2.12.3.2.7. Principles with regards to the setting of selection criteria
Not applicable.

8.2.12.3.2.8. (Applicable) amounts and support rates
EUR 194/ha.

8.2.12.3.2.9. Verifiability and controllability of the measures and/or types of operations

8.2.12.3.2.9.1. Risk(s) in the implementation of the measures
The risks are defined on measure level.

8.2.12.3.2.9.2. Mitigating actions
The mitigating actions are defined on measure level.

8.2.12.3.2.9.3. Overall assessment of the measure
Based on the appropriate mitigating actions indicated above, the measure is controllable and verifiable.

8.2.12.3.2.10. Methodology for calculation of the amount or support rate, where relevant
Constraints related to soil: the expected operating results of agricultural production on the entire territory of Croatia were calculated as the base. The structural hectare included those crop production represented 5 percent or more in the production structure according to the ARKOD records.

Calculations were done taking into account estimated yield reduction (expert assumption) compared to base. The expected operating result on the surface of 1 ha is determined as a weighted average according to the share of different crops in the production structure and the expected business performance of each individual production.

Slope: for that area the expected operating results of agricultural production on the entire territory of Croatia were calculated as the base. Cost for mechanization were 20% higher than it the plain area.
expected operating result on the surface of 1 ha is determined as a weighted average according to the
share of different crops in the production structure and the expected business performance of each
individual production.

Dryness: the expected operating results of agricultural production on the territory with occurrence of
dryness were calculated as the base. The structural hectare included crop typical for designated area
(olives, vineyards, pastures). The average yield achieved without irrigation was reduced according to data
on the yield in dry year (probability of precipitation is on the level of 75% of average year) - 40% for
olives, 10% for vineyards. For pastures weighted yield compared intensive and extensive production.

Final calculation was made taking into account calculation for each criteria, its percentage on defined
surface which ultimately resulted in weighted support amount.

8.2.12.3.2.11. Information specific to the operation

Definition of the threshold level of area per holding on the basis of which MS calculates degressivity of
payments

Support is the full amount for area of 50 ha, from 50-100 ha reduced by 4%, from 100-300 ha reduced by
6%, from 300-500 ha reduced by 8% and for areas larger than 500 ha reduced by 10%.

[Designation of areas facing natural and other specific constraints] Description of the local unit-level
applied for the designation of the areas.

Natural constraint area is defined on the LAU2 level, corresponding to a “jedinica lokalne samouprave”
(JLS) in Croatia. There are 556 self-government JLS units in Croatia, subdivided in 429 municipalities
and 127 towns.

[Designation of areas facing natural and other specific constraints] Description of the application of the
method including the criteria referred to in Article 32 of Regulation (EU) No 1305/2013 for the delimitation
of the three categories of areas referred to in that Article including the description and results of the fine-
tuning exercise for areas facing natural and other specific constraints other than mountain areas.

Areas affected by natural constraints in agriculture are defined pursuant the “Study on the designating
areas facing natural and other specific constraints in agriculture with calculations” according to the
following criteria:

1. Low temperature - the length of the vegetation period
2. Dryness - the ratio of annual precipitation (GP) to the annual potential evapotranspiration (PET)
3. Limited soil drainage - areas that are saturated with water throughout a significant part of a year
4. Unfavourable texture and stoniness - the relative abundance of clay, silt, sand, organic matter and
coarse fractions

5. Shallow rooting depth - the depth from the soil surface to coherent hard rock or hard pan
6. Poor chemical properties - the presence of salts, exchangeable sodium, excessive acidity
7. Slope – change of elevation with respect to planimetric distance

The JLS is defined as an area with natural constraints if any of the mentioned criteria is found on more than 60% of its territory.
8.2.12.3.3. O_03 COMPENSATION PAYMENT TO OTHER AREAS AFFECTED BY SPECIFIC CONSTRAINTS (SC)

Sub-measure:

- 13.3 - compensation payment to other areas affected by specific constraints

8.2.12.3.3.1. Description of the type of operation

Focus area 4A

Conservation of agriculture in areas with natural agricultural constraints contributes to continuation as well as promotion of new agricultural activities in areas affected with specific agricultural constraints.

Due to unfavourable soil/climate conditions, farmers tend to minimize the production, or even abandon the land, which is negative for tourism, biodiversity and viability or rural area.

8.2.12.3.3.2. Type of support

The support is in the form of annual payment per hectare of agriculture area defined as specific constraints area.

8.2.12.3.3.3. Links to other legislation


Payment pursuant this article will not apply in Croatia.

8.2.12.3.3.4. Beneficiaries

Eligible beneficiaries are active farmers in accordance with the definition of active farmers referred to in Article 9 of the Regulation on direct payments - Regulation (EU) No 1307/2013 of the European Parliament and of the Council of 17 December 2013 establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy and repealing Council Regulation (EC) No 637/2008 and Council Regulation (EC) No 73/2009 conducting agricultural activity in the area of local government unit, which is defined as a specific constraints area.
8.2.12.3.3.5. Eligible costs

Not applicable.

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8.2.12.3.3.6. Eligibility conditions

Each ARKOD parcel if at least 50% of its surface is situated in a JLS defined as area affected by specific constraints.

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8.2.12.3.3.7. Principles with regards to the setting of selection criteria

Not applicable.

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8.2.12.3.3.8. (Applicable) amounts and support rates

89 EUR/ha.

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8.2.12.3.3.9. Verifiability and controllability of the measures and/or types of operations

8.2.12.3.3.9.1. Risk(s) in the implementation of the measures

The risks are identified on measure level.

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8.2.12.3.3.9.2. Mitigating actions

The mitigating actions are defined on measure level.

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8.2.12.3.3.9.3. Overall assessment of the measure

Based on the appropriate mitigating actions indicated above, the measure is controllable and verifiable.

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8.2.12.3.3.10. Methodology for calculation of the amount or support rate, where relevant

Karst: the expected operating results of agricultural production on the karst constraints area were calculated as the base. The structural hectare included those crop production represented 5 percent or more in the surface structure according to the ARKOD records. The costs were estimated to be 25% higher than average. Weighting payments on karst area respecting share of crops were calculated.
Wind: the expected operating results of agricultural production on the wind constraints area were calculated as the base. Wind damages on agricultural production in base area were simulated by use stochastic simulation. Finally, comparison is done between operating result without wind risk and with wind damages.

Floods: support was calculated taking into account average flood damage in Croatia for period 2008-2012 divided with number of hectares where the risk of flood exists.

8.2.12.3.3.11. Information specific to the operation

Definition of the threshold level of area per holding on the basis of which MS calculates degressivity of payments

Support is in full amount for area of 50 ha, from 50-100 ha is reduced for 4%, from 100-300 ha is reduced for 6%, from 300-500 ha is reduced for 8% and for area bigger than 500 ha is reduced for 10%.

Natural constraint area is defined on the LAU2 level, corresponding to a “jedinica lokalne samouprave” (JLS) in Croatia. The Republic of Croatia comprises 556 self-government JLS units, subdivided in 429 municipalities and 127 towns.

Areas affected by specific constraints in agriculture are defined pursuant the “Study on the designating areas facing natural and other specific constraints in agriculture with calculations” according to the following criteria:

1. Strong wind
2. Flooded areas
3. Karst

The JLS is defined as an area with specific constraints if any of the mentioned criteria is found on more than 50% of its territory.
8.2.12.4. Verifiability and controllability of the measures and/or types of operations

8.2.12.4.1. Risk(s) in the implementation of the measures

1. LPIS (ARKOD) is not timely and correctly updated with all relevant data regarding areas facing natural and other specific constraints.
2. Fine-tuning exercise with the purpose of excluding areas in which significant natural constraints have been overcome is not conducted in time (December 31, 2014).
3. IACS cross-checks could not be performed due to missing data in ARKOD (LPIS).
4. Beneficiaries provide incorrect area declarations or the size of the eligible area is changed between the date the application was submitted and the payment claim authorisation.
5. Double declaration of same area by two or more farmers.
6. Beneficiaries of the measure do not comply with the definition of active farmers based on Article 9 of R. 1307/2013 (DPR).
7. The criteria and minimum agricultural activities from article 4(1)c of DPR (reg 1307/2013) are not respected by beneficiary.

8.2.12.4.2. Mitigating actions

1. Paying agency has well established and stabile LPIS which is constantly updated with relevant data. Upon final Designation of areas facing natural and other specific constraints this data will be updated. Designation will be done at the level of local administrative units ("LAU 2" level) so no major obstacles in that process are envisaged.
2. The fine-tuning exercise shall be completed by no later than 31 December 2014. as this obligation is set as such in Article 10 of regulation (EU) No 1310/2013.
3. All relevant data needed for performing cross-checks will be ensured by LPIS (ARKOD) prior to campaign for year 2015.
4. There is minimum risk that farmer declares ineligible area due to fact that farmer cannot declare any area which is not attributed in LPIS as such. However, in duly exceptional case an update of LPIS can slightly change size of the eligible area. Such practise is not envisaged in period between submitting single applications and approval of payments. All cross-checks should be conducted on relevant data in LPIS while beneficiary will be formally informed on any changes caused by the update of the Land Parcel Information System (LPIS) or other legal changes.
5. All applications are electronically submitted with predefined checks on area eligibility. However, farmer can transfer land to other farmer after submission of claim and in this case double declaration can be made but IACS has standard cross-check on double declaration so double payments for some area is not possible as general rule for all area based payments.
6. Compliance of beneficiary with the definition of active farmers shall be regular IACS cross-check.
7. Compliance of beneficiary with minimum agricultural activities shall be regular IACS cross-check.
8.2.12.4.3. Overall assessment of the measure

There are still missing parts of control system for implementation of this measure but this can be ready before submission of claims for year 2015. Key step is LPIS update after final designation of areas facing natural or other specific constrains as well as fine-tuning exercise. When those preconditions for implementation of this measure will be set up, this measure will be controllable and verifiable.

8.2.12.5. Methodology for calculation of the amount or support rate, where relevant

In order to determine compensation payments in areas with limited conditions for agricultural production two types of calculations were created.

Base calculations - that show the economic effects of agricultural production under conditions where there are no natural constraints and

NCA calculations - show the economic effects of agricultural production under natural constraints.

NCA calculations differ from base calculations in estimated and quantified value of limiting factors (lower yields, higher costs of human labour and machine work, etc.)

Data sources

The following sources were used as basis for calculations:

- Model calculation of coverage of variable costs of agricultural production for 2012, 2010, 2009, Agricultural Advisory Service
- Croatian Market Information System in Agriculture (TISUP) - data on prices
- Central Bureau of Statistics of the Republic of Croatia - data on yields and prices
- Farm Accountancy Data Network (FADN)
- Internal data of the Institute of Management and Rural Entrepreneurship of the Faculty of Agriculture, University of Zagreb
- Literature from the field of management in agriculture and theories of calculations and costs in agriculture

Based on these sources calculations were made, checked and corrected in accordance with the recommendations of the consultants (assessments of experts). Calculation of realized profit for pastures was made on the basis of expected profit in livestock production which can be organised on respective pastures. The economic impacts of cattle and sheep production on area of 1 ha were taken into consideration. Internal data of the Institute of Management and Rural Entrepreneurship were used as a source of calculation.
8.2.12.6. Information specific to the measure

Definition of the threshold level of area per holding on the basis of which MS calculates degressivity of payments

Support is in full amount for area of 50 ha, from 50-100 ha is reduced for 4%, from 100-300 ha is reduced for 6%, from 300-500 ha is reduced for 8% and for area bigger than 500 ha is reduced for 10%.

[Designation of areas facing natural and other specific constraints] Description of the local unit-level applied for the designation of the areas.

Areas with specific constraints in agriculture are defined pursuant the "Study on areas with natural or other specific constraints in agriculture with calculations" on the LAU2 level, corresponding to a "jedinica lokalne samouprave" (JLS) in Croatia. The Republic of Croatia comprises 556 self-government JLS units, subdivided in 429 municipalities and 127 towns.

[Designation of areas facing natural and other specific constraints] Description of the application of the method including the criteria referred to in Article 32 of Regulation (EU) No 1305/2013 for the delimitation of the three categories of areas referred to in that Article including the description and results of the fine-tuning exercise for areas facing natural and other specific constraints other than mountain areas.

Areas affected by natural constraints in agriculture are defined pursuant the “Study on the designating areas facing natural and other specific constraints in agriculture with calculations” according to the following criteria:

1. Low temperature - the length of the vegetation period
2. Dryness - the ratio of annual precipitation (GP) to the annual potential evapotranspiration (PET)
3. Limited soil drainage - areas that are saturated with water throughout a significant part of a year
4. Unfavourable texture and stoniness - the relative abundance of clay, silt, sand, organic matter and coarse fractions
5. Shallow rooting depth - the depth from the soil surface to coherent hard rock or hard pan
6. Poor chemical properties - the presence of salts, exchangeable sodium, excessive acidity
7. Slope – change of elevation with respect to planimetric distance

The JLS is defined as an area with natural constraints if any of the mentioned criteria is found on more than 60% of its territory.
8.2.12.7. *Other important remarks relevant to understand and implement the measure*
8.2.13. M16 - Co-operation (art 35)

8.2.13.1. Legal basis


8.2.13.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

Dynamic changes in the global market, increasing competition and business changes are creating new challenges for family farms and small and medium enterprises and forest owners.

The unfavourable structure of agricultural holdings in the Republic of Croatia and a small number of cooperatives (481), indicates a poor level of cooperation between agricultural producers. Joint cooperation between geographically concentrated (local or regional) economic entities and research institutions will result in better exchange of information, knowledge and goods for the production or processing of joint products in agriculture, forestry as well as the food-processing sector. An added value of the cooperation measure in Croatia is that it will support entities to work together, thereby addressing several of the key challenges and needs for the rural economy, given the dimension of agricultural holdings, dependence on intermediaries for the food and food-processing sectors and the low propensity and high cost barriers to innovation for individual holdings.

The knowledge of, access to and take-up of innovation, including innovative processes, is very low in the agricultural and food-processing sector in Croatia.

The establishment and operation of Operational groups within the European Innovation Partnerships will reduce the gap between agricultural practices and research by promoting innovative solutions and introducing innovations in practice.

The objective of the measure is to encourage cooperation and the exchange of information on existing and new processes, procedures and technologies in the production and processing of agricultural and forest products, which will achieve improving the economic performance and increasing participation of products with added value on the market.

Contribution to focus areas
The measure is cross-cutting and may contribute to all the priorities and focus areas, depending on the specific investments. The principal Focus Areas it will contribute to are:

**Priority 2:** Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forest

Focus area 2A: Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increase market participation and enhance market orientation as well as agricultural diversification.

The measure will contribute to the optimization of the production potential of farms, development, testing and introduction of modern technologies and methods in production and processing, and increasing of productivity.

**Priority 3:** Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture

Focus area 3A: Improving competitiveness of primary producers better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and organisations, and inter-branch organisations;

The measure will contribute to the increased competitiveness of primary producers by creating local markets and reducing the number of intermediaries between producers and consumers and by creating added value products.

**Contribution to cross-cutting objectives**

This measure contributes to the realisation of cross-cutting objectives related to climate changes, environment and innovation.

**Climate changes** - Activities under this measure will be aimed at adaptation to climate change and its mitigation through sustainable management in forestry and agriculture

**Environmental protection** - Innovation, pilot projects and the development of new technologies in agriculture and forestry will directly contribute to the protection of the environment, natural resources and biodiversity, protection of water and potential impacts of agriculture on the environment.

**Innovation** - Investing in operational groups operating within the EIP will contribute to the development of innovations in agriculture and forestry.

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8.2.13.3. **Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regards to the setting of selection criteria**

8.2.13.3.1. **O_01: Operational groups**

Sub-measure:
8.2.13.3.1.1. Description of the type of operation

Operational groups will develop and implement projects for the study and application of innovative practices, technologies, processes and products. These groups will be of central importance for the promotion of innovation in a number of areas, and their purpose is to connect farmers, researchers, advisors, entrepreneurs and other stakeholders in order to initiate and develop new approaches in different areas of the agricultural, food-processing and forestry sector. After the completion of the project, the project result has to be verified and disseminated.

This operation contributes to the focus area 2A. Establishment of operational groups within the European Innovation Partnership will ensure the improvement of the economic results of farms through the exchange of expert knowledge and good practice and the establishment of dialogue between the farmers and scientific community and easier participation of all stakeholders in the knowledge exchange process.

8.2.13.3.1.2. Type of support

Support shall be awarded as a grant.

8.2.13.3.1.3. Links to other legislation

• Associations Act

8.2.13.3.1.4. Beneficiaries

New operational groups in the agriculture, food-processing and forestry sectors.

8.2.13.3.1.5. Eligible costs

Eligible expenditures within this operation are:

• costs for establishment of operational groups during the lifetime of the project
• running costs for the operation of operational groups during the lifetime of the project
• direct costs of implementing the project, including research activities linked to and accompanying practical projects as applicable based on the detailed plan

Costs incurred before the submission of the application are ineligible. Any costs related to the ordinary activities of any of the entities in the operational groups are ineligible.
8.2.13.3.1.6. Eligibility conditions

The eligibility conditions are:

• co-operation must refer to the establishment and operation of operational groups within the EIP;
• at least two entities must be involved in order to make their co-operation eligible, one of them needs to be a primary producer;
• the operational group must establish internal procedures to ensure transparency in their operation and decision-making, and avoid conflicts of interest;
• the operational group must submit a plan with a description of the innovative project and expected results;
• the project must have a direct link to one of the priorities in the Rural Development Programme;
• the operational group must disseminate the results of their project, especially through the EIP.

8.2.13.3.1.7. Principles with regards to the setting of selection criteria

Operations will be selected for co-financing on the basis of a call for proposals.

The selection criteria for the eligible operations will be laid down in the Ordinance based on the following principles:

• professional qualification and/or previous experience of participating entities;
• number and range of entities within the operational group;
• sustainability;
• introduction of new technologies in priority sectors according to SWOT analysis;
• contribution to environmental protection.

Only operations reaching a minimal threshold score shall be funded.

8.2.13.3.1.8. (Applicable) amounts and support rates

Intensity of the support amounts to 100% of eligible expenditures.

The minimum value of public support per operation is EUR 10,000.

The maximum value of public support per operation is EUR 250,000.
8.2.13.3.1.9. Verifiability and controllability of the measures and/or types of operations

8.2.13.3.1.9.1. Risk(s) in the implementation of the measures

The risks are defined at measure level.

8.2.13.3.1.9.2. Mitigating actions

The mitigating actions are defined at measure level.

8.2.13.3.1.9.3. Overall assessment of the measure

This type of operation is verifiable and controllable.

8.2.13.3.1.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable

8.2.13.3.1.11. Information specific to the operation

Specification of the characteristics of pilot projects, clusters, networks, short supply chains and local markets

Not applicable
8.2.13.3.2. O_02: Pilot projects and the development of new products, practices, processes and technologies

Sub-measure:

- 16.2 - support for pilot projects, and for the development of new products, practices, processes and technologies

8.2.13.3.2.1. Description of the type of operation

Pilot projects are an important tool for testing the commercial applicability of technologies, techniques and practices in different contexts, and adapting them where necessary. Pilot projects will evaluate the feasibility, time, cost, adverse events, and effect size (statistical variability) in an attempt to help operators in rural areas to increase their agricultural productivity, economic viability, sustainability, output and resource efficiency. Operational groups will have a key role in the implementation of this type of project. By disseminating the results, rural operators will be encouraged to benefit from the pilot activities.

The market requires farmers to develop and comply with the growing demands of consumers for products with added value. The purpose is to collect new experiences and to demonstrate the benefits of their implementation, as well as any deficiencies and potential problems, and examine ways to resolve them. This operation will also develop better relations between producers and processors, and raising the level of innovation in the agri-food and forestry sector and improve consumers’ perception about high quality of local products.

The objective of this operation is to develop new products and test new practises, processes and technologies of production and processing to increase the number, diversity and quality of agricultural, food processing and forestry products for the market.

This operation contributes to the focus area 2A. Successful pilot projects will result in further take-up of innovation in practice that will increase the competitiveness of primary producers on the market. The development of new products, practices, processes and technologies in the agriculture, food-processing and forestry sector will improve competitiveness of primary producers adding value to agricultural products.

8.2.13.3.2.2. Type of support

Support shall be awarded as a grant.

8.2.13.3.2.3. Links to other legislation

Act on Copyright and Related Rights
8.2.13.3.2.4. Beneficiaries

Eligible beneficiaries are:

- associations of producers, producer organisations and cooperatives in the agriculture, food and forestry sectors;
- Operational Groups

8.2.13.3.2.5. Eligible costs

Eligible expenditures within this operation are:

- research and development costs (laboratory testing, field trials, market research, feasibility studies, packaging development needed to elaborate the new product or process);
- running costs of the co-operation including:
  - material costs;
  - costs related to equipment, buildings, land etc. are eligible for aid only if they arise from the use / depreciation of these items solely over the duration of the project and in direct relation to it.

Costs incurred before the submission of the application are ineligible.

Any costs related to the ordinary activities of any of the entities in the cooperation project are ineligible.

Productive investment costs are not eligible.

8.2.13.3.2.6. Eligibility conditions

The eligibility conditions are:

- co-operation must refer to the pilot project or development of new products, practices, processes and technologies in agri-food and forestry sector;
- the beneficiaries must submit a business plan with a description of the project and expected results, as well as the planned dissemination activities;
- at least three entities must be involved in each cooperation project, one of them needs to be an Operational Group;
- the detailed results of the cooperation are disseminated.
8.2.13.3.2.7. Principles with regards to the setting of selection criteria

Operations will be selected for co-financing on the basis of a call for proposals.

The selection criteria for the eligible operations, will be laid down in the Ordinance based on the following principles:

- number and range of entities involved;
- co-operation in areas with natural and other specific constraints;
- the location of the operation according to the Regional Development Index;
- contribution to bio-based economy and environmental protection;
- operation related to the priority sectors according to the SWOT analysis.

Only operations reaching a minimal threshold score shall be funded.

8.2.13.3.2.8. (Applicable) amounts and support rates

Intensity of the support amounts to 100% of eligible costs.

The minimum value of public support per operation is EUR 50,000.

The maximum value of public support per operation is EUR 300,000.

8.2.13.3.2.9. Verifiability and controllability of the measures and/or types of operations

8.2.13.3.2.9.1. Risk(s) in the implementation of the measures

The risks are defined at measure level.

8.2.13.3.2.9.2. Mitigating actions

The mitigating actions are defined at measure level.

8.2.13.3.2.9.3. Overall assessment of the measure

This type of operation is verifiable and controllable.
8.2.13.3.2.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable

8.2.13.3.2.11. Information specific to the operation

Specification of the characteristics of pilot projects, clusters, networks, short supply chains and local markets

This information is provided at measure level.
8.2.13.3.3. O_03: Short supply chains and local markets

Sub-measure:

- 16.4 - support for horizontal and vertical co-operation among supply chain actors for the establishment and development of short supply chains and local markets, and for promotion activities in a local context relating to the development of short supply chains and local markets

8.2.13.3.3.1. Description of the type of operation

It is necessary to provide agricultural producers with opportunities for an easier placement of products to final consumers. Besides selling their products to wholesale retailers, it is necessary to enable sales at the local market, to deliver the final product to the consumer as soon as possible, this involves reducing the number of intermediaries. The shorter the supply chain is, the easier it is to keep and promote authenticity and origin of foodstuffs in relation to their cultural identity, traditional ways of production and origin of ingredients. The development of more intensive and direct communication between producers and consumers will create added value to a product and develop a long term tendency to purchase exactly that product.

The objective of this operation is to provide consumers with quality products and reduce the number of intermediaries between producers and consumers. This operation contributes to the focus area 3A. Better integration of primary producers in the agri-food chain will ensure improving competitiveness of primary producers in the local market and provide consumers products with added value.

8.2.13.3.3.2. Type of support

Support shall be awarded as a grant.

8.2.13.3.3.3. Links to other legislation

Food Act

8.2.13.3.3.4. Beneficiaries

Eligible beneficiaries are:

- all legal persons in agriculture, food-processing and forestry sector and their associations;
- producer groups and organisations;
- LAGs
- other legal persons participating in short supply chains and other relevant actors.
8.2.13.3.5. Eligible costs

Eligible expenditures within this operation are:

- running costs for co-operation
- promotional activities

8.2.13.3.6. Eligibility conditions

The eligibility conditions are:

- co-operation refers to horizontal and vertical co-operation among supply chain entities for the establishment and development of short supply chains and local markets;
- beneficiary submits a plan with a description of the project;
- at least two entities must be involved in order to make their co-operation eligible.

8.2.13.3.7. Principles with regards to the setting of selection criteria

Operations will be selected for co-financing on the basis of a call for proposals.

The selection criteria for the eligible operations, will be laid down in the Ordinance based on the following principles:

- higher number of producers that producing products with quality designations;
- co-operation in areas with natural and other specific constraints;
- the location of the operation according to the Regional Development Index;
- contribution to bio-based economy and environmental protection;
- operation related to the priority sectors according to the SWOT analysis.

Only operations reaching a minimal threshold score shall be funded.

8.2.13.3.8. (Applicable) amounts and support rates

Intensity of the support amounts to 100% of eligible costs.

The minimum value of public support per operation is EUR 10,000.

The maximum value of public support per operation is EUR 50,000.
8.2.13.3.9. Verifiability and controllability of the measures and/or types of operations

8.2.13.3.9.1. Risk(s) in the implementation of the measures

The risks are defined at measure level.

8.2.13.3.9.2. Mitigating actions

The mitigating actions are defined at measure level.

8.2.13.3.9.3. Overall assessment of the measure

This type of operation is verifiable and controllable.

8.2.13.3.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable

8.2.13.3.11. Information specific to the operation

Specification of the characteristics of pilot projects, clusters, networks, short supply chains and local markets

This is defined at measure level.

8.2.13.4. Verifiability and controllability of the measures and/or types of operations

8.2.13.4.1. Risk(s) in the implementation of the measures

The risks are:

- The administrative system does not include adequate checks of beneficiaries’ payment requests; or the administrative procedure was not recorded well enough to ensure that all checks had been made.
- The administrative system does not include adequate checks of project results’ verification and dissemination.
• The invoices provided by the beneficiary do not enable costs to be checked for reasonableness, as they were not specific enough.
• The beneficiary started operation’s activities before submitting an application.
• Risk of unrealistic and unclear business plan based on unreliable data.
• Real costs are difficult to verify and to demonstrate.
• Limited interest for implementation of programmed measure.
• Inappropriate distinction between "productive" and "non-productive" investment in order to apply "Durability of operations" rule.
• Risks related to support for investments not covered by Annex I to the Treaty.
• Co-operation measure can support wide range of types of activity that can lead to risk of improper selection of operations.
• Approval of support to non-eligible beneficiaries which do not fall under the definition of SMEs.
• Risk of double funding.

8.2.13.4.2. Mitigating actions

• Paying Agency has to ensure that appropriate control systems to check reasonableness of prices of eligible expenditure on the basis of real costs, but also simplified cost option as flat rate financing, standard scales of unit costs and lump sums might be envisaged for particular types of costs if appropriate.
• Procedure for control of project results’ verification and dissemination shall be introduced by Paying Agency.
• The minimum information to be provided on invoices or other relevant documents as evidence of investment costs has to be prescribed in implementation Ordinance
• As preventive action Managing Authority will periodically conduct informative campaign about implementation of this measure for potential applicants.
• Paying Agency should perform assessment of business plans as part of regular administrative control. All administrative checks on business plan implementation have to be conducted before final payment.
• Evaluation of reasonableness of real costs either through use of reference costs, the comparison of different offers or using an evaluation committee, depending on the typology of cost is envisaged by special PA’s service for technical analysis. Database of reference cost is set up and will be updated according to reference costs on disposal.
• Managing Authority will set criteria for deciding whether a given investment is "productive" or not within ordinance for implementation of Co-operation measure. Paying agency will apply "Durability of operations" rule.
• Managing Authority and Paying Agency will set up system according to Guidelines for State Aid in the Agriculture and Forestry Sector and in Rural Areas, 2014-2020"
• Selection criteria will be developed in consultation with monitoring Committee and should be
followed in Operation selection.

- Model of self-assessment declaration that individual companies may complete themselves when applying to this only SME support scheme in order to establish their SME status will be used. PA will conduct additional checks if needed.

- Paying agency has to ensure that the relevant maximum aid intensities / amounts of other measures are applied to the direct costs of the project (art. 35 (5) (d) and (e)), where the project is of a type covered by another rural development measure.

8.2.13.4.3. Overall assessment of the measure

Due to complexity and broad range of activities that can be implement under this measure there are risks that should be properly mitigated. However, the appropriate mitigating actions have been identified and the measure can be implemented as soon as Paying Agency sets up the control system for implementation of this measure according to the accreditation criteria.

8.2.13.5. Methodology for calculation of the amount or support rate, where relevant

Not applicable to this measure.

8.2.13.6. Information specific to the measure

Specification of the characteristics of pilot projects, clusters, networks, short supply chains and local markets

Pilot projects are intended as projects where a particular technique or approach is being tested for its suitability in the specific area or its feasibility in terms of the market, e.g. whether a farming technique implemented in one geographical area can be implemented in other areas.

Short Supply chains are supply chains involving no more than one intermediary between farmer and consumer.

The local market is the market in the radius of 50 kilometres from the farm of origin of the product, within which the activities of processing take place and sale to the final consumer.

8.2.13.7. Other important remarks relevant to understand and implement the measure
8.2.14. M17 - Risk management (art 36-39)

8.2.14.1. Legal basis


8.2.14.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

The scope of insurance support within this measure is to assist farmers to improve their risk management strategy through a financial contribution to premiums for crop, animal and plant insurance against economic losses to farmers caused by adverse climatic events, animal or plant diseases, pest infestation, or an environmental incident.

**Contribution to focus areas and cross-cutting objectives**

Measure contributes to priority 3, focus area 3b.

Priority 3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture.

Focus area 3b: Supporting farm risk prevention and management.

**Contribution to cross-cutting objectives**

This measure contributes to the realisation of cross-cutting objectives related to climate changes and environment.
8.2.14.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regards to the setting of selection criteria

8.2.14.3.1. O_01: Crop, animal, and plant insurance

Sub-measure:

- 17.1 - Crop, animal and plant insurance premium

8.2.14.3.1.1. Description of the type of operation

The objective of this operation is to encourage active farmers to insure their production against possible damage.

Support within this operation is a financial contribution towards the insurance premium for crops, animals and plants against economic losses caused by adverse climate change and animal and plants diseases, pest infestation and environmental incidents or a measure adopted in accordance with Directive 2000/29/EC to eradicate or contain a plant disease, or pest which destroys more than 30 % of the average annual production of the farmer in the preceding three-year period or a three-year average based on the preceding five-year period, excluding the highest and lowest entry.

8.2.14.3.1.2. Type of support

Support is provided in the form of a grant for paid insurance premium.

8.2.14.3.1.3. Links to other legislation

- Act on Protection from Natural Disasters
- Methodology for Damage Assessment from Natural Disasters prescribed in Law on Protection from Natural Disasters

8.2.14.3.1.4. Beneficiaries

A farmer who benefits from the support within this measure is an active farmer in accordance with Article 9 of the Regulation on direct payments - Regulation (EU) No 1307/2013 of the European Parliament and of the Council of 17 December 2013.

8.2.14.3.1.5. Eligible costs

The eligible cost is the cost of insurance premium. Maximum amount of the support per beneficiary is
EUR 75,000 per year.

8.2.14.3.1.6. Eligibility conditions

The following eligibility conditions apply:

• a paid insurance premium/policy for the previous year.

• the insurance contract concluded covers losses caused by adverse climatic events, animal or plant disease, pest infestation, or ecological incident where losses more than 30% of the average annual production of the farmer in the preceding three-year period or a three-year average based on the preceding five-year period, excluding the highest and lowest entry.

• The occurrence of an adverse climatic event or the outbreak of an animal or plant disease or pest infestation or an environmental incident has to be formally recognised as such by the competent authority in Croatia.

"Animal diseases" means diseases mentioned in the list of animal diseases established by the World Organisation for Animal Health or in the Annex to Council Decision 2009/470/EC.

8.2.14.3.1.7. Principles with regards to the setting of selection criteria

Not applicable.

8.2.14.3.1.8. (Applicable) amounts and support rates

The amount of support is 65% of the annual insurance premium.

The maximum amount of the support per beneficiary under this type of operation is EUR 75,000 per year.

8.2.14.3.1.9. Verifiability and controllability of the measures and/or types of operations

8.2.14.3.1.9.1. Risk(s) in the implementation of the measures

• Risk of overcompensation resulting from the combination of this type of operation with other national instruments of support, Union instruments of support or private insurance schemes;

• Insurance contract do not cover description of which particular risks the beneficiary is insured against and which economic losses are covered;

• Insurance contracts cover other losses beside those arising from categories of crisis events listed
in Art. 37 (1) or losses not related to production;

• Risk of non adequate financial planning;

• Unreasonable costs of insurance premiums.

8.2.14.3.1.9.2. Mitigating actions

• In order to avoid problems in the implementation of this type of operation, the possibility of overlapping with national instruments of support, Union instruments of support and private insurance schemes should be absolutely excluded. The Beneficiary will be asked to provide sworn statement that no other instrument of support regarding this type of risk has been provided;

• Managing Authority will start initiative toward insurance companies to use predefined template for insurance contracts. The template will be part of national implementation ordinance and will cover only eligible economic loses;

• Financial planning is done according to available data gathered from nationally implemented measure where support rate was 25% but additional financing from regional government units were allowed. Certain flexibility in financial planning is envisaged by possible financial reallocations between measures. However, predicting exact financial needs is very difficult so lessening of maximum rate support could be applied during implementation if needed;

• Comparison of insurance contracts of a similar nature issued by same or different insurance companies will be assessed in order to check reasonableness of premium costs.

8.2.14.3.1.9.3. Overall assessment of the measure

Thanks to experience from a nationally implemented measure and already set up application for controlling and verification of claims for public contribution to beneficiaries’ insurance premiums, no major obstacles for implementation of this type of operation is envisaged.

8.2.14.3.1.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable

8.2.14.3.1.11. Information specific to the operation

Description of mechanisms to ensure that no overcompensation takes place

This is described at measure level.

[Crop, animal, and plant insurance] Description of conditions for insurance contracts to be eligible for support
This is described on measure level.

[Crop, animal, and plant insurance] Rules to be used for establishing the calculation of the proportion of the average annual production of a farmer which has been destroyed

This is described on measure level.

[Mutual funds for adverse climatic events, animal and plant diseases, pest infestations and environmental incidents] Principles for funding arrangements, constitution and management of the mutual funds

Not applicable

[Mutual funds for adverse climatic events, animal and plant diseases, pest infestations and environmental incidents] Where the source of the financial compensation to be paid by the mutual fund is a commercial loan, minimum and maximum duration of the commercial loan

Not applicable

[Income stabilisation tool] Principles for funding arrangements, constitution and management of the mutual funds (for granting of compensation payments to farmers)

Not applicable

[Income stabilisation tool] Where the source of the financial compensation to be paid by the mutual fund is a commercial loan, minimum and maximum duration of the commercial loan

Not applicable

8.2.14.4. Verifiability and controllability of the measures and/or types of operations

8.2.14.4.1. Risk(s) in the implementation of the measures

- The risk of overcompensation resulting from the combination of this measure with other national instruments of support, Union instruments of support or private insurance schemes;
- The conditions of the insurance policy do not respect the provisions set out in the Regulation;
- Insurance is unduly paid out;
- The calculations for productions losses are unreasonable.
8.2.14.4.2. Mitigating actions

Overcompensation shall be avoided through specific cross-checks, including with insurance companies and all other national and regional support schemes.

Beneficiaries shall be required to submit a sworn statement.

Checks shall be made to avoid overlapping with complementary measures, such as Measure 5; as this measure shall cover only production losses, other measures may cover infrastructure and equipment losses with no overlap.

Insurance companies operating in Croatia shall be informed of the conditions and standardised terminology agreed containing all the conditions for the insurance policy to be eligible; no further conditions shall be accepted.

Insurance companies shall inform the competent national authority (Paying Agency) if compensation is paid out so that appropriate ex-post checks can be made.

Minimum and maximum parameters for compensation for production losses shall be established at national level tailored to the specific characteristics of each type of product.

8.2.14.4.3. Overall assessment of the measure

Based on the appropriate mitigating actions indicated above, the measure is controllable and verifiable.

8.2.14.5. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.14.6. Information specific to the measure

[Income stabilisation tool] Principles for funding arrangements, constitution and management of the mutual funds (for granting of compensation payments to farmers)

Not applicable.

Description of mechanisms to ensure that no overcompensation takes place
Specific mechanisms shall be set up by the Paying Agency through cross-checks on relevant databases.

[Crop, animal, and plant insurance] Rules to be used for establishing the calculation of the proportion of the average annual production of a farmer which has been destroyed

The measurement of the extent of the loss caused shall be tailored to the specific characteristics of each type of product using:

(a) biological indexes (quantity of biomass loss) or equivalent yield loss indexes established at national level, or

(b) weather indexes (including quantity of rainfall and temperature) established at national level.

[Income stabilisation tool] Where the source of the financial compensation to be paid by the mutual fund is a commercial loan, minimum and maximum duration of the commercial loan

Not applicable.

[Mutual funds for adverse climatic events, animal and plant diseases, pest infestations and environmental incidents] Where the source of the financial compensation to be paid by the mutual fund is a commercial loan, minimum and maximum duration of the commercial loan

Not applicable.

[Mutual funds for adverse climatic events, animal and plant diseases, pest infestations and environmental incidents] Principles for funding arrangements, constitution and management of the mutual funds

Not applicable.

[Crop, animal, and plant insurance] Description of conditions for insurance contracts to be eligible for support

The insurance contract shall include specific standard conditions as follows:

- only production losses are covered;
- only economic losses caused by adverse climatic events, animal or plant disease, pest infestation, or ecological incident where losses are more than 30% of the average annual production of the farmer in the preceding three-year period or a three-year average based on the preceding five-year period, excluding the highest and lowest entry are covered;
- the occurrence of an adverse climatic event or the outbreak of an animal or plant disease or pest infestation or an environmental incident has to be formally recognised as such by the competent
authority in Croatia;

- reference is made to the applicable index for establishing the calculation of the proportion of the average annual production of a farmer.

8.2.14.7. Other important remarks relevant to understand and implement the measure
8.2.15. M18 - Financing of complementary national direct payments for Croatia (art 40)

8.2.15.1. Legal basis


8.2.15.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

Financing of complementary national direct payments contributes to focus area 2A.

8.2.15.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regards to the setting of selection criteria

8.2.15.3.1. O_01: Financing of complementary national direct payments

Sub-measure:

- 18 - Financing of complementary national direct payments for Croatia

8.2.15.3.1.1. Description of the type of operation

Taking into account the levels of direct payments to farmers in Croatia in the framework of the application of the phasing-in mechanism financing of complementary national direct payments is programmed under Rural Development Programme for 2014, 2015 and 2016.

8.2.15.3.1.2. Type of support

Complementary national direct payments.

8.2.15.3.1.3. Links to other legislation

8.2.15.3.1.4. Beneficiaries

Farmers eligible for complementary national direct payments under Article 19 of Regulation (EU) No 1307/2013.

8.2.15.3.1.5. Eligible costs

Not applicable.

8.2.15.3.1.6. Eligibility conditions

The total amount of complementary national direct payments granted shall not be higher than the ceiling set out in point B of Annex VI for a corresponding calendar year.

8.2.15.3.1.7. Principles with regards to the setting of selection criteria

Not applicable.

8.2.15.3.1.8. (Applicable) amounts and support rates

The total amount for the complements to direct payments from including 20% of national co-financing is established as follows:

- in 2014 - 69,937,500 EUR
- in 2015 - 46,625,000 EUR
- in 2016 - 23,312,500 EUR
- In total 2014-2016 - 139,875,000 EUR

The EAFRD contribution rate for the complements to direct payments is 80%.

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8.2.15.3.1.9. Verifiability and controllability of the measures and/or types of operations

8.2.15.3.1.9.1. Risk(s) in the implementation of the measures

Not applicable.

8.2.15.3.1.9.2. Mitigating actions

Not applicable.

8.2.15.3.1.9.3. Overall assessment of the measure

Not applicable.

8.2.15.3.1.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.15.3.1.11. Information specific to the operation

8.2.15.4. Verifiability and controllability of the measures and/or types of operations

8.2.15.4.1. Risk(s) in the implementation of the measures

Not applicable.

8.2.15.4.2. Mitigating actions

Not applicable.

8.2.15.4.3. Overall assessment of the measure

Not applicable.
8.2.15.5. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.15.6. Information specific to the measure

8.2.15.7. Other important remarks relevant to understand and implement the measure

Complementary national direct payments for Croatia are only financially programmed under the Rural Development Programme. A specific Call for application under the Rural Development Programme is not foreseen. Implementation of this measure is part of direct payments authorisation using the financial allocation set by this measure as complements to direct payments only.

8.2.16.1. Legal basis


8.2.16.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

The implementation of the LEADER approach in the Republic of Croatia in the period from 2014 -2020 will contribute to rural areas’ development by means of implementation of local development strategies (hereinafter referred to as: LDS). By including the local population in the drawing up and implementation of LDS in accordance with bottom up principles, conditions are created for the implementation of sustainable development policy in rural areas. In Croatia, rural development led by local stakeholders will strengthen local communities, improve living conditions, quality of life and environment of the rural population and improve the active participation of the rural population in the process of making decisions and thus increase rural competitiveness and the overall growth of rural areas, thereby contributing to reverse the trend to rural depopulation.

The implementation of the LEADER will contribute to the achievement of all six Union priorities for the period 2014-2020.

A Local Action Group (LAG) is a partnership of public, economic and civil sector at local level which is established for the purpose of drawing-up and implementing the LDS of that area. The LAG area represents a rural area with more than 10,000 and less than 150,000 inhabitants, including settlements with a population of less than 25,000. The LAG is a clearly defined and geographically continuous area.

The objectives from the implementation of LEADER approach in Croatia in the period 2014-2020, resulting from the SWOT analysis, are as follows:

- support rural development by means of local initiatives and partnerships;
- improve and promote rural development policy;
- raise awareness on the bottom up approach and the importance of defining a local development strategy;
• increase education and information level of rural population;
• improve rural living and working conditions, including welfare;
• create new, sustainable income earning opportunities;
• maintain and create new jobs;
• diversification of economic activities.

Illustratively, the SWOT analysis has indicated some opportunities which could be successfully exploited through the LEADER approach with multiple effects, such as the *Increased interest in areas of high landscape and cultural values of rural areas as part of a demand for green/rural tourism in the EU, strongly linked to nature, local products, and cultural traditions.*

More specific objectives:

• encourage and develop rural population activities so that they act jointly by means of cooperation projects;
• develop integrated local development strategies and prepare their implementation;
• promote local initiatives and partnership through involvement of local communities as well as representatives of business and local government;
• transfer of achievements, experiences and expertise, and availability of information and conclusions.

The operational objectives are as follows:

• strengthening capacities among rural population and partnerships;
• development, organization and management of LAGs;
• preparation and implementation of LDSs;
• cooperation among areas and groups.

**Contribution to focus areas**

Priority 6: Promoting social inclusion, poverty reduction and economic development in rural areas

Focus area 6B: Fostering local development in rural areas

The LEADER approach directly contributes to focus area 6 b – local development in rural areas. Indirectly, the measure, respectively the implementation of LDS LAGs, contributes to other focus areas.

**Contribution to cross-cutting objectives**

This measure contributes to the realisation of cross-cutting objectives related to climate change, environment and innovation.

Climate change – When implementing measures from the LDS it is necessary to ensure that these measures contribute to adaptation and mitigation of negative consequences of climate change.
Environment – the LDS must raise awareness on environment protection, and it must contain practical measures to reduce harmful consequences to the environment and measures which will contribute to its protection.

Innovation – each LAG in its LDS should describe the possibilities for identification of integrated and innovative local solutions to local problems. Within the implementation of the LDS it is appropriate to support innovative projects which will contribute to solving problems which were not adequately tackled by other rural development measures.

8.2.16.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regards to the setting of selection criteria

8.2.16.3.1. O_01: Preparatory support

Sub-measure:

- 19.1 - Preparatory support

8.2.16.3.1.1. Description of the type of operation

The LAG is responsible for organising and coordinating the drawing-up of the LDS for 2014-2020. In order to draw the maximum advantage from the bottom-up approach, each LAG needs to build appropriate capacities, organise trainings, and carry out awareness-raising actions for the population in a particular area, as well as preparing studies and similar activities for the LDS. It is extremely important that both existing LAGs and newly-formed LAGs receive adequate preparatory support for designing a quality local development strategy.

Support for LEADER start-up kit for LAGs shall not be available.

Support under sub-measure 19.1 is possible up to the selection of LAGs under sub-measures 19.2.

Only one call for proposals for sub-measure 19.1 per programming period 2014-2020 will be published.

8.2.16.3.1.2. Type of support

Support is awarded as a grant.

8.2.16.3.1.3. Links to other legislation

laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund.

The Law on Associations (OG 74/2014) and all subordinate legislation.

8.2.16.3.1.4. Beneficiaries

Beneficiaries are local action groups (LAGs) as registered in accordance with the Law on Associations.

8.2.16.3.1.5. Eligible costs

The following typologies of costs are eligible:

- capacity building for employees, volunteers and LAG members for the purpose of designing and implementing LDS such as seminars, workshops, study visits etc.;
- networking for the purpose of designing and implementing LDS such as meetings etc.;
- trainings for local stakeholders for the purpose of designing and implementing LDS;
- studies for the LAG area (including feasibility studies for some of the projects which will be described in LDS);
- drawing up of LDS (including consultancy costs and costs for actions related to consultations of stakeholders in view of better preparation of the LDS);
- administrative costs (operating and personnel costs) for LAGs that did not receive support for administrative costs in the period from 2007–2013 under IPARD.

In the case of LAGs that received funding under IPARD, administrative costs (operating and personnel costs) will only be eligible once the IPARD funding has finished.

8.2.16.3.1.6. Eligibility conditions

Eligibility conditions shall be based on the minimum requirements which LAGs need to fulfil, namely:

- minimum and maximum number of inhabitants, respectively 10,000 – 150,000 inhabitants including settlements with the number of inhabitants of less than 25,000;
- cover a clearly defined geographically continuous area;
- minimum number of local self- government units as established by the Ordinance;
- at least 50% of the Managing Board come from the private and civil sector, etc.
8.2.16.3.1.7. Principles with regards to the setting of selection criteria

Selection criteria and allocation of funds per LAG shall be detailed in the Ordinance and shall be based on the following principles:

- number of local self-government units above the minimum required;
- share of private or civil sector in Managing Board above the minimum required.

8.2.16.3.1.8. (Applicable) amounts and support rates

Intensity of the support amounts to 100% up to a maximum of EUR 100,000.

8.2.16.3.1.9. Verifiability and controllability of the measures and/or types of operations

8.2.16.3.1.9.1. Risk(s) in the implementation of the measures

The risks are:

- Error rates in claiming costs;
- Potential overlaps for LAGs funded under IPARD for administrative costs.

8.2.16.3.1.9.2. Mitigating actions

The mitigating actions are:

- Guidance provided on cost calculations and cross-checks by the Paying Agency;
- Internal administrative cross-checks by the Paying Agency on LAGs funded under IPARD.

8.2.16.3.1.9.3. Overall assessment of the measure

This type of operation is verifiable and controllable.

8.2.16.3.1.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable.
8.2.16.3.1.11. Information specific to the operation

Description of the obligatory community-led local development (hereafter "CLLD") elements of which the LEADER measure is composed: preparatory support, implementation of operations under the CLLD strategy, preparation and implementation of co-operation activities of the local action group (hereafter "LAG"), running costs and animation, referred to in Article 35(1) of Regulation (EU) No 1303/2013

This is described at measure level.

Description of the use of the LEADER start-up-kit referred to in Article 43 of Regulation (EU) No 1305/2013 as specific type of preparatory support (if use is made)

Not applicable.

Description of the system for ongoing application for LEADER co-operation projects referred to in Article 44(3) of Regulation (EU) No 1305/2013

LAGs shall select cooperation projects according to the procedure described in their LDS.

The procedure and timetable to select the local development strategies

This is described at measure level.

Justification for selection of geographical areas for local development strategy implementation whose population falls outside the limits laid down in Article 33(6) of Regulation (EU) No 1303/2013

Not applicable.

Co-ordination with the other European Structural and Investment (hereafter "ESI") Funds as regards CLLD, including possible solution applied with regard to the use of the lead fund option, and any global complementarities between the ESI Funds in financing the preparatory support

This is described at measure level.

Possibility or not of paying advances

This is specified at measure level.
Definition of the tasks of the Managing Authority, the paying agency and the LAGs under LEADER, in particular with regard to a non-discriminatory and transparent selection procedure and objective criteria for the selection of operations referred to in Article 34(3)(b) of Regulation (EU) No 1303/2013

This is defined at measure level.

Description of co-ordination mechanisms foreseen and complementarities ensured with operations supported under other rural development measures especially as regards: investments in non-agricultural activities and business start-up aid under Article 19 of Regulation (EU) No 1305/2013; investments under Article 20 of Regulation (EU) No 1305/2013; and co-operation approaches under Article 35 of Regulation (EU) No 1305/2013, in particular implementation of local development strategies by public-private partnerships

This is described at measure level.
8.2.16.3.2. O_02: Support for implementation of operations under the CLLD strategy

Sub-measure:

- 19.2 - Support for implementation of operations under the community-led local development strategy

8.2.16.3.2.1. Description of the type of operation

This operation provides support for implementation of operations under the CLLD strategy, following the selection of the LAGs.

In accordance with the LDS and in coherence with the strategy expressed in the programme, following approval for the allocation of funds from the RDP, LAGs will be able to select projects for beneficiaries from the LAG area up to the level of allocated funds.

After the LAG has selected a project, the Paying Agency shall perform necessary controls and disbursement of funds to project holders.

No commitments or expenditures shall be eligible under the type of operation Preparatory Support once the LAG has submitted an application for this type of operation.

The LDS must contain at least the following elements:

- description of the area covered by the strategy (including size of the area, number of local self-government units and towns, number of inhabitants);
- an analysis of the development needs and potential of the area, including SWOT analysis;
- description of the objectives of LDS and integrated and innovative character of LDS including clear and measurable targets for outputs or results;
- description of local stakeholders' involvement in the development of LDS;
- an action plan of the implementation of LDS;
- monitoring and evaluation of LDS;
- description of the capacity to implement LDS;
- financial plan.

8.2.16.3.2.2. Type of support

Support shall be awarded as a grant.

8.2.16.3.2.3. Links to other legislation

laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund.

National implementing legislation in relation to the implementation of the LEADER approach.

8.2.16.3.2.4. Beneficiaries

Beneficiaries are project holders (including LAG members) in the LAG area who submitted the application to LAG for the selection and co-financing of their project, as well as selected LAGs themselves.

8.2.16.3.2.5. Eligible costs

Projects which will be co-financed by means of this type of operation are small scale projects, projects of innovative-experimental character which are carried out in the LAG area. Projects must be in accordance with the LDS of the LAG and the RDP2014-2020.

Eligible costs are defined under the specific type of operation, sub-measure or measure in the RDP and they depend on the selected type of the project. Eligible costs include construction costs, purchase of equipment, acquisition or development of computer software and acquisition of patents, licences, copyrights, trademarks and other non-material investments related to material investments, general costs etc.

8.2.16.3.2.6. Eligibility conditions

Project holders must have permanent residence in the LAG area, and the project must be carried out in the LAG area. Specific selection criteria shall be elaborated by the LAG in its LDS. Project holders/LAGs will have to fulfil all eligibility conditions laid down for specific measures from RDP2014-2020 for which they submit their project.

A LAG can be a beneficiary under sub-measures 7.4 and 16.4 in which case the eligibility conditions described under these sub-measures apply.

Furthermore, the LAG has to be selected under sub-measure 19.2, to be eligible as a beneficiary in sub-measures 7.4 and 16.4.

In addition, LAGs have to cover areas sufficiently compatible with the critical mass, respectively 10,000 – 150,000 inhabitants, including settlements with the number of inhabitants of less than 25,000, and they have to cover a clearly defined geographically continuous area.
### 8.2.16.3.2.7. Principles with regards to the setting of selection criteria

Selection criteria according to which LAG will select projects for co-financing shall be elaborated in the LDS and must be coherent with its objectives. All selection criteria have to be transparent and objective.

During the selection process, procedures shall be set in place by the LAG to avoid conflict of interest. When deciding on which project to select, neither the public sector nor any single interest group shall represent more than 49% of the voting rights. At least 50% of the votes have to come from the representatives from civil and economic (private) sector.

### 8.2.16.3.2.8. (Applicable) amounts and support rates

Intensity and maximum level of support per project shall depend on the type of project, limitations laid out in RDP 2014-2020, and it shall be further elaborated in implementing acts/calls for proposals.

The maximum public support (allocations) per LAG for this type of operation for the period 2014-2020 amounts up to EUR 5,000,000.

### 8.2.16.3.2.9. Verifiability and controllability of the measures and/or types of operations

#### 8.2.16.3.2.9.1. Risk(s) in the implementation of the measures

The risks are defined on measure level.

#### 8.2.16.3.2.9.2. Mitigating actions

The mitigating actions are defined on measure level.

#### 8.2.16.3.2.9.3. Overall assessment of the measure

This type of operation is verifiable and controllable.

### 8.2.16.3.2.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

### 8.2.16.3.2.11. Information specific to the operation

Description of the obligatory community-led local development (hereafter "CLLD") elements of which the LEADER measure is composed: preparatory support, implementation of operations under the CLLD
strategy, preparation and implementation of co-operation activities of the local action group (hereafter "LAG"), running costs and animation, referred to in Article 35(1) of Regulation (EU) No 1303/2013

This is described at measure level.

Description of the use of the LEADER start-up-kit referred to in Article 43 of Regulation (EU) No 1305/2013 as specific type of preparatory support (if use is made)

This is described at measure level.

Description of the system for ongoing application for LEADER co-operation projects referred to in Article 44(3) of Regulation (EU) No 1305/2013

LAGs shall select cooperation projects according to the procedure described in their LDS.

The procedure and timetable to select the local development strategies

This is described on measure level.

Justification for selection of geographical areas for local development strategy implementation whose population falls outside the limits laid down in Article 33(6) of Regulation (EU) No 1303/2013

Not applicable.

Co-ordination with the other European Structural and Investment (hereafter "ESI") Funds as regards CLLD, including possible solution applied with regard to the use of the lead fund option, and any global complementarities between the ESI Funds in financing the preparatory support

This is described on measure level.

Possibility or not of paying advances

This is described on measure level.

Definition of the tasks of the Managing Authority, the paying agency and the LAGs under LEADER, in particular with regard to a non-discriminatory and transparent selection procedure and objective criteria for the selection of operations referred to in Article 34(3)(b) of Regulation (EU) No 1303/2013
This is described on measure level.

Description of co-ordination mechanisms foreseen and complementarities ensured with operations supported under other rural development measures especially as regards: investments in non-agricultural activities and business start-up aid under Article 19 of Regulation (EU) No 1305/2013; investments under Article 20 of Regulation (EU) No 1305/2013; and co-operation approaches under Article 35 of Regulation (EU) No 1305/2013, in particular implementation of local development strategies by public-private partnerships

This is described on measure level.
8.2.16.3.3. O_03: Preparation of cooperation activities of the LAG

Sub-measure:

- 19.3 - Preparation and implementation of cooperation activities of the local action

8.2.16.3.3.1. Description of the type of operation

Following the selection under sub-measure 19.2, LAGs may apply for support for the preparation of cooperation activities.

The intended scope of the cooperation projects should be described in the LDS.

8.2.16.3.3.2. Type of support

Support shall be awarded as a grant.

8.2.16.3.3.3. Links to other legislation


National implementing legislation in relation to the implementation of the LEADER approach.

8.2.16.3.3.4. Beneficiaries

Beneficiaries are selected LAGs under sub-measure 19.2.

8.2.16.3.3.5. Eligible costs

Eligible costs must be directly linked to the technical preparation of inter-territorial (within Croatia) and transnational (between several Member States or with third countries) cooperation projects, subject to the identification of minimum goals and character/type of the planned cooperation project in its LDS, such as:
• travel and accommodation costs for partner search;
• costs of translation, interpretation and meeting organisation etc.;
• specific expertise related to the scope of the intended cooperation project.

8.2.16.3.3.6. Eligibility conditions

Costs are eligible if presented by a selected LAG, in coherence with the goals and character/type of the planned cooperation projects in the approved LDS.

Costs are eligible from the date of selection of the LAG under sub-measure 19.2 until the presentation of the cooperation project, or at least 18 months from the start of preparation of cooperation activities.

All costs must be directly linked to the preparation of the cooperation activities.

8.2.16.3.3.7. Principles with regards to the setting of selection criteria

No specific selection is envisaged apart from the criteria relating to the cooperation projects.

8.2.16.3.3.8. (Applicable) amounts and support rates

Intensity of the support amounts to 100% up to the maximum eligible for each cooperation project.

Costs for preparatory actions and other general costs for the implementation of the cooperation project are eligible up to 10% of the total cooperation cost.

8.2.16.3.3.9. Verifiability and controllability of the measures and/or types of operations

8.2.16.3.3.9.1. Risk(s) in the implementation of the measures

The risks are defined at measure level.

8.2.16.3.3.9.2. Mitigating actions

The mitigating actions are defined on measure level.
### 8.2.16.3.9.3. Overall assessment of the measure

This type of operation is verifiable and controllable.

### 8.2.16.3.3.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

### 8.2.16.3.3.11. Information specific to the operation

Description of the obligatory community-led local development (hereafter "CLLD") elements of which the LEADER measure is composed: preparatory support, implementation of operations under the CLLD strategy, preparation and implementation of co-operation activities of the local action group (hereafter "LAG"), running costs and animation, referred to in Article 35(1) of Regulation (EU) No 1303/2013

This is described on measure level.

Description of the use of the LEADER start-up-kit referred to in Article 43 of Regulation (EU) No 1305/2013 as specific type of preparatory support (if use is made)

Not applicable.

Description of the system for ongoing application for LEADER co-operation projects referred to in Article 44(3) of Regulation (EU) No 1305/2013

LAGs shall select cooperation projects according to procedure described in their LDS.

The procedure and timetable to select the local development strategies

This is described on measure level.

Justification for selection of geographical areas for local development strategy implementation whose population falls outside the limits laid down in Article 33(6) of Regulation (EU) No 1303/2013

Not applicable.

Co-ordination with the other European Structural and Investment (hereafter "ESI") Funds as regards CLLD, including possible solution applied with regard to the use of the lead fund option, and any global complementarities between the ESI Funds in financing the preparatory support
This is described on measure level.

Possibility or not of paying advances

This is described on measure level.

Definition of the tasks of the Managing Authority, the paying agency and the LAGs under LEADER, in particular with regard to a non-discriminatory and transparent selection procedure and objective criteria for the selection of operations referred to in Article 34(3)(b) of Regulation (EU) No 1303/2013

This is described on measure level.

Description of co-ordination mechanisms foreseen and complementarities ensured with operations supported under other rural development measures especially as regards: investments in non-agricultural activities and business start-up aid under Article 19 of Regulation (EU) No 1305/2013; investments under Article 20 of Regulation (EU) No 1305/2013; and co-operation approaches under Article 35 of Regulation (EU) No 1305/2013, in particular implementation of local development strategies by public-private partnerships

This is described on measure level.
8.2.16.3.4. O_04: Implementation of cooperation activities of the LAG

Sub-measure:

- 19.3 - Preparation and implementation of cooperation activities of the local action

8.2.16.3.4.1. Description of the type of operation

Following the selection of LAGs under sub-measure 19.2, LAGs may apply for support for the implementation of cooperation activities. The cooperation between areas is often the best source of innovations for a LAG, and by implementation of the common project ideas, experiences and knowledge are exchanged among project stakeholders through inter-territorial cooperation projects. Cooperation and sharing of experience in transnational cooperation is an efficient way to access new ideas, innovative approaches and new skills.

Cooperation projects may also be focused on capacity building and transfer of experience on local development.

Two types of cooperation projects are envisaged:

- Inter-territorial cooperation projects within the borders of Croatia;
- Transnational cooperation projects are carried out among Member States or in cooperation with third countries.

The goals and character of the planned cooperation projects should be described in the LDS.

8.2.16.3.4.2. Type of support

Support shall be awarded as a grant.

8.2.16.3.4.3. Links to other legislation


National implementing legislation in relation to the implementation of the LEADER approach.
8.2.16.3.4.4. Beneficiaries

Beneficiaries are selected LAGs under sub-measure 19.2.

8.2.16.3.4.5. Eligible costs

Eligible expenditures shall be made within following activities:

- Costs for the implementation of inter-territorial cooperation projects (within Croatia);
- Costs for the implementation of transnational cooperation projects (between Member States or with third countries).

8.2.16.3.4.6. Eligibility conditions

Specific eligibility conditions are:

- The involvement of at least 2 eligible territories;
- The coherence with the LDS and the strategy in the RDP.

Partners of the LAGs in cooperation projects may be:

- other LAGs;
- local public and private partnerships in rural or urban areas implementing some form of LDS, within or outside the EU as referred to in Article 44, paragraph 2 of the Regulation (EU) 1305/2013.

8.2.16.3.4.7. Principles with regards to the setting of selection criteria

The selection criteria for cooperation actions to be funded by the LAG will be defined in the LDS.

To ease the cooperation process and to ensure consistency of approach the Managing Authority will work with prospective LAGs to develop a common set of criteria that all can share.

8.2.16.3.4.8. (Applicable) amounts and support rates

Intensity of the support amounts to 100%.

Maximum level of public support per LAG for the preparation and implementation of LAG cooperation activities for the period 2014-2020 amounts to EUR 100,000.

Only the quota of costs sustained by the LAG within the budget of the project will be eligible.
8.2.16.3.4.9. Verifiability and controllability of the measures and/or types of operations

8.2.16.3.4.9.1. Risk(s) in the implementation of the measures

The risks are defined on measure level.

8.2.16.3.4.9.2. Mitigating actions

The mitigating actions are defined on measure level.

8.2.16.3.4.9.3. Overall assessment of the measure

This type of operation is verifiable and controllable.

8.2.16.3.4.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.16.3.4.11. Information specific to the operation

Description of the obligatory community-led local development (hereafter "CLLD") elements of which the LEADER measure is composed: preparatory support, implementation of operations under the CLLD strategy, preparation and implementation of co-operation activities of the local action group (hereafter "LAG"), running costs and animation, referred to in Article 35(1) of Regulation (EU) No 1303/2013

This is described on measure level.

Description of the use of the LEADER start-up-kit referred to in Article 43 of Regulation (EU) No 1305/2013 as specific type of preparatory support (if use is made)

Not applicable

Description of the system for ongoing application for LEADER co-operation projects referred to in Article 44(3) of Regulation (EU) No 1305/2013

LAGs shall select cooperation projects according to the procedure described in their LDS.
The procedure and timetable to select the local development strategies

This is described on measure level.

Justification for selection of geographical areas for local development strategy implementation whose population falls outside the limits laid down in Article 33(6) of Regulation (EU) No 1303/2013

Not applicable.

Co-ordination with the other European Structural and Investment (hereafter "ESI") Funds as regards CLLD, including possible solution applied with regard to the use of the lead fund option, and any global complementarities between the ESI Funds in financing the preparatory support

This is described on measure level.

Possibility or not of paying advances

This is defined on measure level.

Definition of the tasks of the Managing Authority, the paying agency and the LAGs under LEADER, in particular with regard to a non-discriminatory and transparent selection procedure and objective criteria for the selection of operations referred to in Article 34(3)(b) of Regulation (EU) No 1303/2013

This is described on measure level.

Description of co-ordination mechanisms foreseen and complementarities ensured with operations supported under other rural development measures especially as regards: investments in non-agricultural activities and business start-up aid under Article 19 of Regulation (EU) No 1305/2013; investments under Article 20 of Regulation (EU) No 1305/2013; and co-operation approaches under Article 35 of Regulation (EU) No 1305/2013, in particular implementation of local development strategies by public-private partnerships

This is described on measure level.
8.2.16.3.5. O_05: Running costs and animation

Sub-measure:

- 19.4 - Support for running costs and animation

8.2.16.3.5.1. Description of the type of operation

Selected LAGs under sub-measure 19.2 will receive support for running and animation costs related to personnel costs, office, equipment, public relations, monitoring and evaluation of LDS, exchange of experience, assistance for preparation of the project and similar activities from the allocated amount of funds.

For the above mentioned activities a LAG will be able to use up to 25% of the amount of allocated public expenses incurred within the LDS.

Expenditures relating to running costs are eligible after the selection under sub-measure 19.2. Expenditures relating to animation are eligible after the date of submission of application to the call for proposals sub-measure 19.2.

8.2.16.3.5.2. Type of support

Support shall be awarded as a grant.

8.2.16.3.5.3. Links to other legislation


National implementing legislation in relation to the implementation of the LEADER approach.

8.2.16.3.5.4. Beneficiaries

Beneficiaries are selected LAGs under sub-measure 19.2.

8.2.16.3.5.5. Eligible costs

Eligible activities/costs within running costs:
• staffing and administration costs of the selected LAGs such as operating costs (rental fees, utilities, office supplies, etc.), personnel costs (wages, travel costs etc.), office equipment etc.;
• training costs for LAG staff and members (trainings for project promoters must not to be financed within the running costs) such as cost of experts, rental of training spaces, food and drink, travel costs, per diems etc.;
• costs linked to public relations such as promotional material, web pages, promotional events etc.;
• financial costs such as bank and postal fees, etc.;
• networking costs such as participation of LAG staff and LAG members in meetings, including meetings of the Rural development network and European network for rural development, national or European LAG network;
• monitoring and evaluation costs of the LDS (on LAG level) such as cost of experts, etc.

Eligible activities/costs within animation:

• exchange of knowledge between stakeholders such as travel and accommodation costs, participation fees etc.;
• information and promotion of LDS such as cost of public meetings, leaflets, publications, web pages, etc.;
• helping potential beneficiaries to develop projects and prepare applications such as travel costs, office supplies etc.;
• operative costs incurred for animation needs such as rental fees, utilities, office supplies, office equipment etc.;
• personnel costs involved in animation such as wages, travel costs etc.;
• costs incurred in the implementation of animation such as office material, costs for experts etc.

8.2.16.3.5.6. Eligibility conditions

Beneficiaries are selected LAGs under sub-measure 19.2.

8.2.16.3.5.7. Principles with regards to the setting of selection criteria

Not applicable for this operation.

8.2.16.3.5.8. (Applicable) amounts and support rates

The intensity of the support amounts to 100%.

Maximum level of support for running costs and animation per beneficiary in the period 2014–2020 amounts to 25 % out of total allocated public expenses of the LDS.
LAGs can request payment of advances for costs relating to operation running cost and animation. The amount of advance cannot be more than 50% of public support related to the costs of operation running costs and animation.

8.2.16.3.5.9. Verifiability and controllability of the measures and/or types of operations

**8.2.16.3.5.9.1. Risk(s) in the implementation of the measures**

The risks are defined at measure level.

**8.2.16.3.5.9.2. Mitigating actions**

The mitigating actions are defined at measure level.

**8.2.16.3.5.9.3. Overall assessment of the measure**

This type of operation is verifiable and controllable.

8.2.16.3.5.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable

8.2.16.3.5.11. Information specific to the operation

Description of the obligatory community-led local development (hereafter "CLLD") elements of which the LEADER measure is composed: preparatory support, implementation of operations under the CLLD strategy, preparation and implementation of co-operation activities of the local action group (hereafter "LAG"), running costs and animation, referred to in Article 35(1) of Regulation (EU) No 1303/2013

This is described on measure level.

Description of the use of the LEADER start-up-kit referred to in Article 43 of Regulation (EU) No 1305/2013 as specific type of preparatory support (if use is made)

Not applicable

Description of the system for ongoing application for LEADER co-operation projects referred to in Article 44(3) of Regulation (EU) No 1305/2013
LAGs shall select cooperation projects according to procedure described in their LDS.

The procedure and timetable to select the local development strategies

This is described on measure level.

Justification for selection of geographical areas for local development strategy implementation whose population falls outside the limits laid down in Article 33(6) of Regulation (EU) No 1303/2013

Not applicable.

Co-ordination with the other European Structural and Investment (hereafter "ESI") Funds as regards CLLD, including possible solution applied with regard to the use of the lead fund option, and any global complementarities between the ESI Funds in financing the preparatory support

This is described on measure level.

Possibility or not of paying advances

This is described on measure level.

Definition of the tasks of the Managing Authority, the paying agency and the LAGs under LEADER, in particular with regard to a non-discriminatory and transparent selection procedure and objective criteria for the selection of operations referred to in Article 34(3)(b) of Regulation (EU) No 1303/2013

This is described on measure level.

Description of co-ordination mechanisms foreseen and complementarities ensured with operations supported under other rural development measures especially as regards: investments in non-agricultural activities and business start-up aid under Article 19 of Regulation (EU) No 1305/2013; investments under Article 20 of Regulation (EU) No 1305/2013; and co-operation approaches under Article 35 of Regulation (EU) No 1305/2013, in particular implementation of local development strategies by public-private partnerships

This is described on measure level.
8.2.16.4. Verifiability and controllability of the measures and/or types of operations

8.2.16.4.1. Risk(s) in the implementation of the measures

Comparing other measures and methods of financing the rural development, the LEADER approach includes a higher level of risk due to delegation of control over a part of the European budget to LAG.

The LEADER approach was implemented during IPARD where the possibility to select and implement projects under LDS did not exist; the LAGs therefore have no experience in this. In general, the following risks were identified in the implementation of the measure:

- low level of awareness and information of local population about LEADER approach and its implementation;
- insufficient personnel capacities for the implementation of activities and LAG management;
- poor cash-flow of LAGs and the impossibility to ensure funds for pre-financing;
- dominant influence of local government on LAG work/overdependence of LAGS on the units of local self-government.

8.2.16.4.2. Mitigating actions

In view of reducing negative influence on the implementation of the LEADER measure, the following activities shall be implemented:

- promotion of LEADER approach directed towards the inhabitants of rural areas;
- training, guidance and capacity-building of LAGs;
- involving other stakeholders in solving of pre-financing (units of regional self-government, banking sector, National trust for civil society development);
- introduction of obligation of equal decision making for representatives of all three sectors in the LAG work into implementing acts on implementation of LEADER approach.

8.2.16.4.3. Overall assessment of the measure

Although LEADER approach started with implementation for the first time during the IPARD programme in Croatia (and only from 2013), certain experience and indicators show that the implementation of LEADER approach in the period 2014-2020 will be successful and thus contribute to the development of rural areas.
8.2.16.5. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.16.6. Information specific to the measure

Co-ordination with the other European Structural and Investment (hereafter "ESI") Funds as regards CLLD, including possible solution applied with regard to the use of the lead fund option, and any global complementarities between the ESI Funds in financing the preparatory support

CLLD is financed through a mono-fund approach. If preparatory support for FLAGS is envisaged, then appropriate cross-checks shall be made by the Paying Agency to ensure that administrative costs are clearly demarcated.

Description of the obligatory community-led local development (hereafter "CLLD") elements of which the LEADER measure is composed: preparatory support, implementation of operations under the CLLD strategy, preparation and implementation of co-operation activities of the local action group (hereafter "LAG"), running costs and animation, referred to in Article 35(1) of Regulation (EU) No 1303/2013

Obligatory elements contained in the LEADER measure are laid down in Article 35, paragraph 1 of the Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund. They include preparatory support for the development and implementation of LDS, implementation of LDS, preparation and implementation of cooperation projects and running costs and animation, and they are described in relevant Chapters of this measure.

The procedure and timetable to select the local development strategies

The LAGs shall be able to access funding from sub-measure 19.1 for the purpose of preparing the LDS before concluding their obligations from the programming period 2007-2013, subject to the limitations imposed in the type of operation. Obligations from the programming period 2007-2013 have to be concluded by 31 December 2016.

Resources from sub-measures 19.2, 19.3 and 19.4 will be available to LAGs only after the completion of sub-measure 19.1.

An Evaluation Committee appointed by the Managing Authority shall evaluate the LDSs based on criteria elaborated in implementation acts. The Managing Authority shall approve list of evaluated LDSs. By the end of a two year period following the approval of the Partnership Agreement and no later than 31 December 2017, the Paying Agency shall select LAGs based on the approved list of evaluated LDSs and
Selection criteria elaborated in implementing acts.

Allocation of funds per each sub-measure will be elaborated in implementing act and shall be based on objective and transparent criteria (points realized in LDS evaluation, number of inhabitants, level of economic development etc.)

Description of the use of the LEADER start-up-kit referred to in Article 43 of Regulation (EU) No 1305/2013 as specific type of preparatory support (if use is made)

Not applicable.

Justification for selection of geographical areas for local development strategy implementation whose population falls outside the limits laid down in Article 33(6) of Regulation (EU) No 1303/2013

Not applicable.

Possibility or not of paying advances

The possibility of advance payments is described in the chapter 8.1 General conditions.

Definition of the tasks of the Managing Authority, the paying agency and the LAGs under LEADER, in particular with regard to a non-discriminatory and transparent selection procedure and objective criteria for the selection of operations referred to in Article 34(3)(b) of Regulation (EU) No 1303/2013

The Managing Authority:

- lays down legal framework;
- proposes criteria for LAG selection;
- lays down minimum content for LDS;
- education on LEADER approach of all stakeholders included in the implementation of LEADER approach;
- establishes Evaluation Committee for evaluation of LDSs;
- approves list of evaluated LDSs;
- monitoring and evaluation of the implementation of the measure;
- promotion and information of local population and local stakeholders on LEADER approach.

The Paying Agency:

- drawing up calls for proposals/tender for LAG selection;
- administrative processing of LAGs applications;
• selection of operations;
• control of LAGs and projects in the field;
• payment of funds to the contracted LAGs.

The LAG – Local Action Group:

• elaboration of LDS;
• managing the LAG and other activities in relation to the scope of work of a LAG,
• selection of projects from the LAG area,
• drawing up of transparent, non-discriminatory selection procedures and criteria for the selection of operations which avoid conflict of interest;
• building the capacity of local stakeholders to develop and implement operations, and encouraging their capability to manage projects;
• monitoring and evaluation of the implementation of the LDS at the LAG level.

Description of the system for ongoing application for LEADER co-operation projects referred to in Article 44(3) of Regulation (EU) No 1305/2013

LAGs shall select cooperation projects according to the procedure described in their LDS.

Description of co-ordination mechanisms foreseen and complementarities ensured with operations supported under other rural development measures especially as regards: investments in non-agricultural activities and business start-up aid under Article 19 of Regulation (EU) No 1305/2013; investments under Article 20 of Regulation (EU) No 1305/2013; and co-operation approaches under Article 35 of Regulation (EU) No 1305/2013, in particular implementation of local development strategies by public-private partnerships

LEADER indirectly contributes also to other focus areas of the RDP 2014-2020 since there are no restrictions in selecting the type of project that a LAG will implement. Depending on the identified needs in LDS, LAG will make the selection of projects which it will implement.

For implementation of the one and the same project, a beneficiary cannot receive support under sub-measure 19.2 and under other measures of RDP 2014-2020.

8.2.16.7. Other important remarks relevant to understand and implement the measure

Projects selected by a LAG can have higher aid intensity in relation to aid intensity set out in the RDP2014-2020. When deciding on the aid intensity for a specific project, LAG shall consider some of the following criteria: common interest, common beneficiaries, public access to results of the project, innovative character of a project on a local level and available allocation of funds.
A LAG can award maximum 20% higher support rate than prescribed for specific projects in the RDP.

The following table summarises the eligibility conditions for LEADER operations.

Table X: Eligibility of administrative costs from sub-measure 19.1 and 19.4

<table>
<thead>
<tr>
<th>Type of LAG</th>
<th>Administrative costs from sub-measure 19.1</th>
<th>Running costs from sub-measure 19.4</th>
</tr>
</thead>
<tbody>
<tr>
<td>new LAG</td>
<td>Date of selection/rejection under sub-measure 19.2</td>
<td>Date of selection under sub-measure 19.2</td>
</tr>
<tr>
<td>contracted LAG in 2007-2013</td>
<td>Support from period 2007-2013 is finished</td>
<td>Date of selection under sub-measure 19.2</td>
</tr>
</tbody>
</table>

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9. EVALUATION PLAN

9.1. Objectives and purpose

A statement of the objectives and purpose of the evaluation plan, based on ensuring that sufficient and appropriate evaluation activities are undertaken, in particular to provide information needed for programme steering, for the annual implementation reports in 2017 and 2019 and the ex-post evaluation, and to ensure that data needed for RDP evaluation are available.

For the purpose of ensuring sufficient and appropriate evaluation activities and to provide for appropriate resources able to support these activities, pursuant to Articles 56 and 114 of Regulation (EC) No 1303/2013, an Evaluation Plan (EP) has been drawn up for evaluation of the Rural Development Programme of the Republic of Croatia 2014-2020.

Specifically, the objectives of the EP are to:

- ensure that satisfactory and adequate evaluation activities are undertaken to provide the necessary information for programme steering,
- ensure the availability of sufficient and suitable resources (human and financial),
- ensure that appropriate data is available at the right time and in the right format for the purpose of the Programme evaluation, especially for the Annual Implementation Reports (AIRs) in 2017 and 2019 and ex-post evaluation.

In order to successfully fulfil these objectives, the following overarching principles will guide the evaluation activities of the RDP:

- **diverse and tailored** approach: different evaluation techniques shall be used for monitoring and evaluating different aspects of the RDP. This will also allow sufficient flexibility in annual planning to address evaluation needs as they emerge,
- **timely**: ensure the monitoring and evaluation activity is undertaken at the right time in order to inform all those involved in Programme management, policy-makers and stakeholders of the impact and effectiveness of the programme,
- **targeted**: the monitoring and evaluation activity will be targeted on capturing whether the programme is delivering on the identified policy priorities,
- **dialogue and transparency**: early dialogue between relevant stakeholders for relevant and timely feedback and fostering evaluation transparency to have the greatest benefits from evaluation results.

9.2. Governance and coordination

Brief description of the monitoring and evaluation arrangements for the RDP, identifying the main bodies involved and their responsibilities. Explanation of how evaluation activities are linked with RDP implementation in terms of content and timing.

The monitoring and evaluation system for the RDP consists of those actors, mechanisms and activities...
involved in the monitoring and evaluation of its implementation.

The actors involved in the monitoring and evaluation system are: the Managing Authority (MA), the Monitoring Committee (MC), the Evaluation Working Group of RDP 2014-2020 (EWG - RD), the Paying Agency for Agriculture, Fisheries and Rural Development (PAAFRD), National Rural Network (NRN), Local Action Groups (LAGs), the Inter-Institutional Evaluation Working Group established by Croatia (IEWG) and independent evaluators.

The role and responsibilities of involved bodies in the monitoring and evaluation system are given below and shown in Figure 8.

**Managing Authority**

The Managing Authority is responsible for the functioning and management of the monitoring and evaluation system and for the quality, timeliness and dissemination of the results of evaluation activities.

In terms of monitoring, the Managing Authority has to ensure a safe electronic information system is in place, provide relevant data to the European Commission on selected and paid operations and draw up AIRs. It is responsible for the monitoring of the quality of Programme implementation using defined indicators and it ensures all information and necessary documents for the Programme progress monitoring are available in due time to the Monitoring Committee.

The Managing Authority is responsible for drawing up and the implementation of the EP and has to ensure as a minimum the following legal requirements:

- that during the programming period the contribution to the objectives of each priority is evaluated at least once;
- that ex-ante and ex-post evaluations are timely and in accordance with the monitoring and evaluation system;
- that European Commission is informed on each evaluation via AIRs;
- that the results of evaluation are published.

Pursuant to the Article 75 of Regulation (EC) No 1305/2013, the Managing Authority shall send first AIR by 30 June 2016. The report submitted in 2016 shall cover the calendar years 2014 and 2015. Furthermore, by 30 June of each current year (n) it shall send annual reports for the previous year (n-1), including the year 2024. The Managing Authority shall ensure that the AIRs which have to be submitted in 2017 and 2019 are enhanced and that they contain the evaluation results from previous years.

The Managing Authority is also responsible for managing all evaluation tenders, facilitating cooperation amongst the monitoring and evaluation stakeholders and ensuring their capacity building as well as communicating the evaluation results to internal and external stakeholders, as well as to the wider public.

The Managing Authority is responsible for the establishment and coordination of the operations of the EWG-RD, as its Chair and it takes part in the work of IEWG of the Republic of Croatia, set up by the Ministry of Regional Development and EU Funds. The representatives of the Managing Authority will also participate in the work of the Evaluation Expert Committee[1] on a regular basis.
**Monitoring Committee**

The role of the Monitoring Committee is to monitor the efficiency and quality of the RDP implementation, as well as review the progress in the utilisation of allocated funds towards the set objectives of the RDP. Among other tasks, the Monitoring Committee analyses the activities and results of the EP implementation and may issue recommendations to the MA regarding programme implementation and evaluation and then monitor actions taken as a result of its recommendations. It considers and approves AIRs before they are sent to the EC (see Chapter 15.2.).


The institutional capacity for EP implementation will be ensured by the work of the EWG-RD. The EWG-RD will be established within three months of the approval of the RDP 2014-2020 and it will consist of representatives of the Managing Authority (department responsible for activities of monitoring and evaluation), Monitoring Committee, National Rural Network, IEWG, Advisory Service and Paying Agency for Agriculture, Fisheries and Rural Development. The EWG-RD will consist of about 10 core representatives, in order to foster efficiency. If necessary, and depending on particular needs, evaluator representatives (contracted via tenders), other ministries and bodies, representatives of regional and local self-government units or other experts will be invited to working meetings.

The main tasks of EWG-RD will be to:

- support to the management of the monitoring and evaluation process, including the implementation of EP;
- define adequate and tailored evaluation activities in accordance with the Programme needs;
- establishing an informal multi-annual Evaluation Plan supported by the development of a retro-planning template;
- draw up the informal Annual Evaluation Plan for each year in coherence with the above;
- regularly monitor the timeliness and progress of evaluation activities in accordance with the Annual Plan;
- preparing Terms of Reference for evaluation activities;
- providing assistance to the evaluator for data collection and in carrying out evaluation activities;
- support for quality control of all evaluation activities;
- assistance in monitoring the take-up of evaluation recommendations;
- analysis of draft evaluation reports;
- assist in the dissemination of evaluation results.

The Managing Authority shall chair the EWG-RD.

**Paying Agency for Agriculture, Fisheries and Rural Development (PAAFRD)**

For the purpose of monitoring and evaluation the PAAFRD collects information based on documents submitted through applications, information on supported projects and payments and information on conducted controls. The PAAFRD is responsible for the IT systems that underpin programme operations and can programme all the information necessary for monitoring. The PAAFRD shall ensure the setup of a
system to secure a timely data flow to both the MA and evaluators through an interface to facilitate the transfer and handling of data or a common data system, based on the current upgrading of its software for the administration of EAFRD measures (see 9.4 for details). At the request of the evaluators, the PAAFRD will ensure provision of all additional information and documentation as required. The PAAFRD will work closely in coordination with the MA to ensure the timely provision of all data on operations and necessary monitoring data.

**Local action groups (LAGs)**

LAGs as well as other programme beneficiaries have the obligation to provide all information necessary for the monitoring and evaluation of the Programme, particularly those related to the evaluation of contribution of Local Development Strategies (LDS) and the added value of the LEADER approach and the principle of partnership. Among others, LAGs are responsible for the development, implementation, monitoring and evaluation of LDS of their areas. Specific monitoring templates and appropriate guidance shall be developed following submission of the programme.

**National Rural Network**

The National Rural Network in the monitoring and evaluation system has a key role in the dissemination of evaluation results in the whole rural area of Croatia. Moreover, representatives of the National Rural Network will, through their participating in EWG-RD, will participate fully as evaluation stakeholders in defining evaluation needs, following up evaluation results and addressing specific issues in Programme implementation (more on the Network in Chapter 17). They will also be able to provide valuable support in monitoring the participation of Croatian stakeholders in the EIP.

**Inter-Institutional Evaluation Working group (IEWG)**

The IEWG was established in 2013 by the MRDEUF[2] consisting of representatives of the Managing Authorities of all EU programmes in the Republic of Croatia. The purpose of this group is to provide support, coordination and guidance for all activities related to evaluation, including and not limited to the evaluation of ESI Funds. Therefore the representatives of Managing Authority of IPARD also actively joined the work of IEWG.

Active participation in IEWG will enable the Managing Authority of RDP 2014-2020 to carry out the following activities:

- participation in the elaboration/management of the Evaluation Strategy of the Republic of Croatia[3];
- participation in the establishment of a National Evaluation Society in Croatia;
- coordination of the evaluation activities of RDP 2014-2020 with the evaluation of other ESI programmes in Croatia;
- exchange evaluation experience with other ministries/bodies;
- strengthening evaluation capacities;
- ensuring a smoother and timely flow of information.

The Secretariat of the IEWG is the MRDEUF.
Other sources of information

Databases and information from other sources (Croatian Bureau for Statistics, Croatian Agency for Environment Protection, Energy Institute Hrvoje Požar, Advisory Service, other ministries, universities, research institutes etc.) can be relevant, as input data for evaluation activities. The representatives of these institutions will, where necessary, be invited to participate in the work of EWG-RD. Specific protocol agreements shall be drawn up to ensure there is access to necessary data, also based on the successful data exchange established under IPARD. The Managing Authority shall ensure that all adequate existing information is available for the purpose of reporting and implementation of evaluation activities. If some additional data necessary for a particular evaluation is missing, the relevant institutions shall be contracted to collect specific data.

Independent evaluators

All evaluation activities will be carried out by external experts who are functionally independent from the Managing Authority and the Paying Agency for Agriculture, Fisheries and Rural Development. Evaluators will be contracted in accordance with public procurement provisions based on the most economically advantageous tender principle and financed from “Technical assistance”.

Lessons learnt from the implementation of IPARD

The experience of IPARD evaluation has thrown into light the importance of taking into consideration some key monitoring and evaluation issues which have been duly integrated or addressed in the development of the above governance and coordination system.

• The need to ensure the timeliness of evaluation activities through the design and monitoring of time-based informal Annual Evaluation Plans based on the retro-planning approach which will provide a clear time line for M&E work and assist in advance planning as well as highlight and schedule critical issues;
• The completeness of data and its quality – this will be addressed through an initial activity for identifying data needs and developing a data quality control methodology;
• The timely availability of data and its completeness through the development of an appropriate IT system to address any issues from the beginning of the programme to ensure the smooth data flow, given the shortcomings identified in the IPARD monitoring system. The MA is participating in the IPA 2011 TA Project on developing the software as part of the project Steering Committee and necessary data flow upgrades will be ensured through Component of the project;
• The need to envisage tailored and ad-hoc evaluation activities as part of the overarching approach to evaluation, in particular considering the enhanced role of the evaluation stakeholders;
• The need to ensure effective understanding of monitoring and evaluation and its purpose to all RDP stakeholders.

[1] Set up by EC.


9.3. Evaluation topics and activities

Indicative description of evaluation topics and activities anticipated, including, but not limited to, fulfilment of evaluation requirements provided for in Regulation (EU) No 1303/2013 and Regulation (EU) No 1305/2013. It shall cover: (a) activities needed to evaluate the contribution of each RDP Union priority as referred to in Article 5 of Regulation (EU) No 1305/2013 to the rural development objectives laid down in Article 4 of that Regulation, assessment of result and impact indicator values, analysis of net effects, thematic issues, including sub-programmes, cross-cutting issues, national rural network, contribution of CLLD strategies; (b) planned support for evaluation at LAG level; (c) programme specific elements such as work needed to develop methodologies or to address specific policy areas.

Evaluation activities will show the progress, impact, achievements, effectiveness, efficiency and importance of rural development policy. Evaluation activities will ensure an adequate analysis of the
Programme contribution to the objectives of each focus area and priorities for rural development. All evaluation activities will be coordinated by means of the EWG-RD.

Up to now the experiences of monitoring and evaluation of rural development policy in Croatia have been limited. The reason for this is on the one hand an insufficient institutional capacity, and on the other, the timely availability of financial resources. Shortcomings were identified in the monitoring system which hindered the independent evaluation of implementation results. However, regardless of these circumstances, initial invaluable experiences were acquired in the monitoring, reporting and evaluation system during pre-accession programmes SAPARD and IPARD. Detailed information on undertaken activities, problems in implementation, evaluators' recommendation can be found in annual and evaluation reports available at www.mps.hr. Furthermore, capacity building has been enhanced through the IPA project “Ex-ante evaluation of programming documents and strengthening evaluation capacity for EU funds post-accession”.

The development of the EP has also taken into account any relevant recommendations of the Ex-ante evaluation of the RDP 2014-2020.

Since good quality evaluation cannot be performed without a well-established monitoring system, and based on the up-to-now limited experiences, one of the first activities will be the assessment of the established evaluation and monitoring system and further development of the system. During this process, following submission of the programme, a review of data availability will be carried out for common indicators (especially impact indicators) and weaknesses and gaps in data collection will be assessed. Moreover, the established system of collecting and storing of data will be checked at the Paying Agency for Agriculture, Fisheries and Rural Development. Based on these results, coordination with the IPA project “Capacity Building of Croatian Paying Agency in preparation for the new CAP and CFP reforms” will allow for the appropriate upgrading of the software for monitoring data collection within the PAAFRD and identification of additional needs. If there is a need, institutions will be engaged to collect data. Examples of good practice of other member states in the organisation of monitoring and evaluation system will be further analysed. A Training Needs Assessment will be carried out and appropriate capacity-building activities implemented, including an initial training for the members of the EWG-RD. The methodology for agri-environmental-climate measures monitoring shall be established. Specific guidance concerning the requirements for the LAGs to report their performance throughout the programme will be developed, including a set of core indicators and a tailored training plan developed. These activities will create a solid basis for the evaluation activities.

In addition, the following evaluation and monitoring activities will be carried out with emphasis on specific themes arising from RDP 2014-2020 itself:

- Ex-post evaluation of IPARD programme;
- Observation of development trends and context analysis; ongoing observation of changes in the context in which the programme’s interventions take place against set baselines (using common and programme-specific context indicators).
- Progress monitoring in relation to set values of target indicators and planned output indicators (see Indicator plan, Chapter 11) and drawing up AIRs;
- Assessment of programme interventions by an analysis of target indicators and complementary result indicators, taking into consideration relevant evaluation questions and the assessment of multiple effects and synergies in relation to focus areas and analysis of complementary result indicators. With regard to allocation of resources of the RDP, a special emphasis will be on the
analysis of the implementation and effect of operations in investments in modernisation, under sub-measures 4.1. and 4.2. and their contribution to the competitiveness of agriculture (Priority 2);

- Assessment of the contribution of the RDP to the objectives of Common Agricultural Policy (viable production of food, sustainable management of natural resources and climate change, and balanced territorial development) by means of and analysis of changes in value of impact indicators;

- Assessment of the Programme impact on horizontal objectives (environment, climate change mitigation and adaptation and innovation). Special emphasis will be put on the environmental impact of the programme, with particular focus on biodiversity through agri-environmental measure monitoring;

- Assessment of the Programme contribution to thematic objectives of the EU 2020 Strategy including the contribution of RDPs to the headline targets;

- Assessment of the added value of the integrated approach - by means of LEADER local development strategies and support for evaluation activity undertaken at the Local Action Group level;

- Assessment of the use of resources from “Technical assistance”;

- Contribution of the National Rural Network in implementation and achieving the goals from the rural development policy;

- Diversity monitoring: age and gender information will be recorded for all applicants;

- Activities for the purpose of monitoring of implementation of evaluation recommendations. Each implemented evaluation will produce recommendations on different aspects. Consequently, the Managing Authority shall follow recommendations and undertake activities in view of complying with them;

- Dissemination of evaluation results;

- Building-up of evaluation capacities;

- Ex-ante evaluation of future period (2021-2027);


Agri-environment monitoring

A specific programme for agri-environment monitoring will be developed. It will assess changes in biodiversity, connectivity of natural habitats and enhancements in the rural landscape. This work will also examine which agri-environment options are having the biggest impact on maintaining the biodiversity in Croatia. The agri-environment monitoring programme will establish a baseline using remote sensing derived habitat maps and analyses of landscape statistics. This will be supported by habitat structure and plant and wildlife field data. Agri-environment and forestry options will be assigned criteria for success which include factors such as presence of indicator species, biodiversity indices and landscape diversity indices. As counterfactual evaluation is difficult to accurately estimate, comparisons will be made against indicators at the national level. This will provide an indication of the extent to which the intervention has led to an improvement in performance in the specific area supported relative to the national level. Use will be made of quantitative data where possible; qualitative data will also provide an insight into the impact of the interventions from the agri-environment programme; consequently specific surveys will be undertaken to AECM beneficiaries to provide greater insight into the effect of the measures.
In order to plan effectively the evaluation timeline, retro planning will be used for an informal Multi-Year Planning template and informal internal management tool. It will allow the cross check for the informal Annual Evaluation Plans described below.

The implementation and planning of evaluation activities will be the constituent part of the informal Annual Evaluation Plan drawn up by EWG-RD. In addition to previously mentioned evaluation activities, specific and “ad-hoc” evaluation activities will be carried out during the period of programme implementation based on the needs and results of implemented evaluations, appropriate recommendations of the MC and other evaluation stakeholders. Each annual plan shall include as a horizontal theme dissemination and capacity-building actions that shall be carried out throughout programme implementation. These Annual Evaluation Plans will also establish procedures for the preparation and implementation of tenders to contract external experts for evaluation needs, the methods of dissemination of evaluation results, the detailed evaluation capacity-building plan, methods of engaging other institutions in data collection, proposals to change the EP, etc. The EWG-RD shall prepare a short recommendation report in 2017 to assess the progress of the EP, propose revisions and ensure any necessary reallocation of resources.

9.4. Data and information

Brief description of the system to record, maintain, manage and report statistical information on RDP implementation and provision of monitoring data for evaluation. Identification of data sources to be used, data gaps, potential institutional issues related to data provision, and proposed solutions. This section should demonstrate that appropriate data management systems will be operational in due time.

The available evaluation of the IPARD programme has shown the need for the early establishment of adequate collection of data. A clear definition and understanding of each indicator, together with the data collection methodology to calculate their value is the basis for implementation of any evaluation.

In the programming period 2014-2020 the following common indicators are foreseen:

1. Context indicators
2. Impact indicators
3. Target indicators
4. Complementary result indicators
5. Output indicators

Context indicators

Values of common context indicators are collected by European Commission from Eurostat, processed and forwarded to the Managing Authority. Eurostat receives these data from the Member States. Data for the calculation of a relevant number of context indicators are not collected in Croatia at the moment and indicators are not monitored i.e. Eurostat has no or insufficient data for the Republic of Croatia.[1] These are mostly indicators referring to the environment. In the beginning of programming period the lack of data will be analysed in detail and adequate steps will be taken to ensure the proper availability of quality data according to the results of analysis.
**Target Indicators**

The source of data for the quantifying of target indicator values will be databases (operations database) managed by the PAAFRD, and for the base year, statistical databases. The expected values of envisaged target indicators are given in the Indicator plan.

**Complementary result indicators**

Common complementary result indicators assess primary and secondary effects and synergy of operations in relation to particular focus area. The primary effect is recorded in operations database as an output indicator of operation, which belongs to focus area under which it has been programmed. Operations which are programmed under one focus can also have secondary effect on other focus areas, which is provided in Indicator plan as a “secondary effect”. The secondary effect will be identified in the PAAFRD operations database and it will be measured by means of evaluation activities.

**Output indicators**

Relevant output indicators are monitored in the operations database and provided by monitoring tables that will be generated by the PAAFRD IT system, currently being upgraded. Monitoring tables show cumulatively the values of output indicators of operation in relation to planned values of output indicators provided in Indicator plan.

All key data for each operation chosen for financing, as well as for completed operations, will be recorded in the electronic operations database, updated and managed by the PAAFRD. The access to operations database will be enabled to the Managing Authority. Based on collected data from the operations database, monitoring tables will be completed on a monthly basis. Using data from the delivered report and monitoring tables, the Managing Authority will draw up AIRs.

At the request of the Managing Authority and/or contracted evaluator, all contracted beneficiaries of the Programme shall co-operate in view of delivering data or enabling insight in project and business documentation for the purpose of evaluation implementation. Beneficiaries will be obliged to provide information for monitoring and evaluation as part of their rural development contract. This includes submission of information not only via the applications and claims process, but may also envisage bespoke and sample surveys.

**PAAFRD IT system**

The software currently in operation at the PAAFRD is being updated within the context of IPA project “Capacity Building of Croatian Paying Agency in preparation for the new CAP and CFP reforms” to ensure it meets the requirements for the RDP 2014-2020.

The system will envisage uniquely on-line applications through AGRONET according to the once-only encoding principle, which is currently in place.

The participation of the MA in the Steering Committee of the project will ensure the needs of both the MA and PAAFRD are met. Initial updates are envisaged in the second half of 2014, including piloting of RDP measures. The implementation of the IT project is being carried out in synergy with the planned implementation of RDP measures, to ensure there are no IT gaps or administrative bottlenecks. The system will be completely operational and upgraded by 2016. The project also includes an information
campaign for beneficiaries on the system and capacity-building activities for staff.

The system will be fully interoperable allowing the extraction and use of monitoring data in other systems.

*External data sources*

Given the diverse nature of the programme, there are a number of potential external sources of information which may be drawn on to help inform the performance and assess its impact, such as:

- statistical collections by the MA and PA (e.g. the census, farm registers, Land Registry ID system, farm structure survey and farm accounts (FADN). As these statistics are collected in-house, informal procedures will be established for their use;
- databases and information from other sources (e.g. Croatian Bureau for Statistics and Croatian Agency for Environment Protection, in accordance with agreements and protocols;
- additional and bespoke surveys of beneficiaries to capture broader impacts through public procurement
- evidence from the Research Institutes and NGOs on the programme through data collection or public procurement;
- independent reviews of the programme through public procurement.

These will be defined within the EWG-RD.

[1] In the list of context indicators, it can be seen which indicators are missing.

### 9.5. Timeline

Major milestones of the programming period, and indicative outline of the timing needed to ensure that results are available at the appropriate time.

It is essential to ensure that all activities relating to monitoring and evaluation are carried out in appropriate time, respecting implementation workflow in relation to time when certain information is necessary. Timely planning will enable planning and foreseeing of assignments for each body involved in the monitoring and evaluation system. Activities of monitoring and evaluation will provide necessary information in a suitable moment, particularly information for the purpose of drawing up of AIRS (and enhanced AIRs) and the final report on the Programme implementation.

Timeline of implementation of planned activities of EP is given in Figure 9 and in accordance with the informal multiannual retro planning tool.
<table>
<thead>
<tr>
<th>Activities</th>
<th>Year of implementation and duration</th>
<th>Reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ex-post evaluation of IPARD programme</td>
<td>It will start during 2015, and finish no later than fourth quarter of 2016</td>
<td>The report will be published on web pages of the Ministry and sent to the EC by the end of 2016</td>
</tr>
<tr>
<td>Setting up and running of EWG-RD</td>
<td>Set up following submission of programme. Meetings of the working group will be held at least three times a year</td>
<td>Information will be given in each AIR in the context of progress in implementation of the Evaluation plan</td>
</tr>
<tr>
<td>Assessment of established monitoring and evaluation system and further development of the system - data preparation, methodology development, evaluation guidance and capacity building</td>
<td>Following submission of the programme and in first year of implementation, some activities may be on-going</td>
<td>Information will be in AIR delivered in 2016</td>
</tr>
<tr>
<td>Progress monitoring in relation to set values of target indicators and planned output indicators</td>
<td>During the entire implementation of the Programme</td>
<td>Information will be given in each AIR</td>
</tr>
<tr>
<td>Assessment of programme interventions by analysis of target indicators and complementary result indicators, taking into consideration relevant evaluation questions and evaluation of primary and secondary effects of operations in relation to focus areas</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assessment of contribution of the Programme to the objectives of Common Agricultural Policy: viable production of food, sustainable management of natural resources and climate changes, and balanced territorial development</td>
<td></td>
<td>Relevant information will be given in enhanced AIR in 2017 and 2019 and in the final report and Ex-post report RDP 2014-2020</td>
</tr>
<tr>
<td>Assessment of the Programme impact on horizontal objectives: environment, climate change mitigation and adaptation and innovation</td>
<td>During the implementation of the Programme</td>
<td></td>
</tr>
<tr>
<td>Assessment of the Programme contribution to thematic objectives of the Strategy EU 2020</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assessment of the use of resources from the measure “Technical assistance”</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assessment of the use of integrated approach by means of local development strategies of LAGs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contribution of National Rural Network in implementation and achieving Programme goals</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Analysis of the development trends and context analysis of the Programme</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agri-environment monitoring and assessment of Programme impact</td>
<td>During the implementation of the Programme</td>
<td>Information will be given in enhanced AIR in 2017 and 2019 and in the final report and Ex-post report RDP 2014-2020</td>
</tr>
<tr>
<td>Specific and “ad-hoc” evaluation activities</td>
<td>They will be implemented during the period of the Programme implementation on the basis of identified needs and results of implemented evaluations</td>
<td>Information will be given in each AIR in the context of progress in implementation of the Evaluation plan</td>
</tr>
<tr>
<td>Dissemination of evaluation results</td>
<td>This will be implemented during the period of the Programme implementation in accordance with annual evaluation plans</td>
<td>Information will be given in each AIR</td>
</tr>
<tr>
<td>Building up of evaluation capacities and ensuring appropriate data collection and preparation</td>
<td>This will be implemented during the period of the Programme implementation in accordance with annual evaluation plans</td>
<td>Information will be given in each AIR in the context of progress in implementation of the Evaluation plan</td>
</tr>
<tr>
<td>Ex-ante evaluation of the future period (2021-2027)</td>
<td>No later than 2020 and by the submission of the RDP 2021-2027</td>
<td>Information will be given in final report, and evaluation report will be the constituent part of the future RDP</td>
</tr>
<tr>
<td>Ex-post evaluation RDP 2014-2020</td>
<td>No later than 2024</td>
<td>Ex-post report shall be delivered to the EC no later than 31 December 2024</td>
</tr>
</tbody>
</table>

Figure 9 Timeline of evaluation activities
9.6. Communication

Description of how evaluation findings will be disseminated to target recipients, including a description of the mechanisms established to follow-up on the use of evaluation results.

Pursuant to Article 54 of Regulation (EC) No 1303/2013, all evaluations carried out shall be available to the public. In addition to the obligation to make evaluation reports public, results of evaluation shall be efficiently and timely communicated to target groups and the general public.

Appropriate activities for disseminating the results of evaluations as well as the assessment of information needs for each target group will be foreseen in Annual Evaluation Plan drawn up by the EWG-RD. Activities will be developed in close co-operation with the department responsible for programme promotion in the Managing Authority and in accordance with the overall communication strategy of the Programme.

The dissemination of evaluation results will indicatively be carried out in two ways:

1. In house – targeting employees and decision makers in the Managing Authority and Paying Agency for Agriculture, Fisheries and Rural Development, particularly in relation to implementation of evaluation recommendations and for the overall implementation of RDP 2014-2020. Monitoring and evaluation results will be shared internally to facilitate effective delivery of the programme. Externally contracted experts for evaluation implementation will, in addition to the elaboration of the evaluation report, have the obligation to present evaluation results thorough workshops to the Managing Authority and Paying Agency for Agriculture, Fisheries and Rural Development and, where needed, at the meetings of the Monitoring Committee and/or National Rural Network. Furthermore, regular updates will be provided to the Monitoring Committee of the results from the monitoring and evaluation activities to inform decisions over potential changes to the programme or its delivery. This feedback-loop is crucial in order to maximise the use of the results from the monitoring and evaluation activity and ultimately improve the performance of the programme.

2. Outside dissemination of information – targets: the general public. In accordance with the principles of transparency of EU funds, evaluation reports will be published on the Programme web pages with a link to the ESI funds communication portal. In addition to this report, the evaluators will also deliver a summary report with clearly shown results of evaluations, which will also be available to the public. These summary reports will be presented in a user-friendly way to enable a wide range of stakeholders to easily access information on how the programme is performing and what monitoring and evaluations are planned for the future. In addition to the above mentioned, the Managing Authority will disseminate information on evaluation by means of IEWG, National Rural Network and by means of AIR. If there is a need, other appropriate tools will be used, such as publications, communications to the public etc.

The EWG-RD shall monitor the follow-up of the use of evaluation results and a summary report prepared annually for submission to the Monitoring Committee.
9.7. Resources

Description of the resources needed and foreseen to implement the plan, including an indication of administrative capacity, data, financial resources, IT needs. Description of capacity building activities foreseen to ensure that the evaluation plan can be fully implemented.

An adequate level of human resources for the purpose of monitoring and evaluation is provided within the Managing Authority and Paying Agency for Agriculture, Fisheries and Rural Development and through the work of the EWG-RD.

Since evaluation activities will be carried out by outside experts by means of tenders, appropriate and sufficient financial resources, for all other activities, are provided through “Technical Assistance”. The staff costs for the Department responsible for Monitoring and Evaluation in the Managing Authority shall be covered by Technical Assistance.

The Ex-ante evaluation of the Rural Development Programme for the period 2014–2020 is completed and the financial resources have been ensured from IPA 2009 (see Chapter 3).

The indicative percentage distribution of financial resources per activity, in relation to total indicative resources allocated for implementation of Evaluation Plan, are shown in Figure 10.
<table>
<thead>
<tr>
<th>Monitoring and evaluation activities</th>
<th>Human resources</th>
<th>Indicative financial resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ex-post evaluation of IPARD programme</td>
<td>Externally contracted expertise with the support and coordination of EWG-RD</td>
<td>5%</td>
</tr>
<tr>
<td>Assessment of established monitoring and evaluation system and further development of the system (e.g. IT interface) - data preparation, methodology development, evaluation guidance and capacity building</td>
<td>Externally contracted expertise with the support and coordination of EWG-RD</td>
<td>12%</td>
</tr>
<tr>
<td>Assessment of programme interventions by analysis of target indicators and complementary result indicators, taking into consideration relevant evaluation questions and evaluation of primary and secondary effects of operations in relation to focus areas</td>
<td>Externally contracted expertise with the support and coordination of EWG-RD</td>
<td></td>
</tr>
<tr>
<td>Assessment of contribution of the Programme to the objectives of common agricultural policy, viable food production, sustainable management of natural resources and climate changes and balanced territorial development</td>
<td>Externally contracted expertise with the support and coordination of EWG-RD</td>
<td>30%</td>
</tr>
<tr>
<td>Assessment of the Programme impact on horizontal objectives: environment, mitigation and adaptation to climate change and innovations</td>
<td>Externally contracted expertise with the support and coordination of EWG-RD</td>
<td></td>
</tr>
<tr>
<td>Assessment of the Programme contribution to thematic objectives of the Strategy EU 2020</td>
<td>Externally contracted expertise with the support and coordination of EWG-RD</td>
<td></td>
</tr>
<tr>
<td>Assessment of the use of resources from the measure “Technical assistance”</td>
<td>Externally contracted expertise with the support and coordination of EWG-RD</td>
<td></td>
</tr>
<tr>
<td>Assessment of the use of integrated approach by means of local development strategies</td>
<td>Externally contracted expertise with the support and coordination of EWG-RD</td>
<td></td>
</tr>
<tr>
<td>Contribution of National Rural Network in implementation and achieving Programme goals</td>
<td>Externally contracted expertise with the support and coordination of EWG-RD</td>
<td></td>
</tr>
<tr>
<td>Analysis of the development trends and context analysis of the Programme</td>
<td>Externally contracted expertise with the support and coordination of EWG-RD</td>
<td></td>
</tr>
<tr>
<td>Agri-environment monitoring and assessment of Programme impact</td>
<td>Externally contracted expertise with the support and coordination of EWG-RD</td>
<td>13%</td>
</tr>
<tr>
<td>Specific and “ad-hoc” evaluation activities</td>
<td>Externally contracted expertise with the support and coordination of EWG-RD</td>
<td>12%</td>
</tr>
<tr>
<td>Dissemination of evaluation results</td>
<td>Externally contracted expertise (in house dissemination).</td>
<td></td>
</tr>
<tr>
<td>Managing Authority, PAAFRD, EWG-RD, EWG... (dissemination towards other stakeholders of rural development and stakeholders groups)</td>
<td>Managing Authority, PAAFRD, EWG-RD, EWG... (dissemination towards other stakeholders of rural development and stakeholders groups)</td>
<td>3%</td>
</tr>
<tr>
<td>Building-up of evaluation capacities</td>
<td>Externally contracted expertise with the support and coordination of EWG-RD and EWG</td>
<td>10%</td>
</tr>
<tr>
<td>Ex-ante evaluation of the future period (2021-2027)</td>
<td>Externally contracted expert with the support and coordination of EWG-RD</td>
<td>10%</td>
</tr>
<tr>
<td>Ex-post evaluation RDP 2014-2020</td>
<td>Externally contracted expert with the support and coordination of EWG-RD</td>
<td>5%</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>100%</td>
</tr>
</tbody>
</table>

Figure 10 Evaluation Resources
## 10. FINANCING PLAN

### 10.1. Annual EAFRD contributions in (€)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>59(3)(a) - Less developed regions &amp; outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93</td>
<td>332.167.500,00</td>
<td>282.342.375,00</td>
<td>282.342.375,00</td>
<td>282.342.375,00</td>
<td>282.342.375,00</td>
<td>282.342.375,00</td>
<td>282.342.375,00</td>
<td>2.026.221.750,00</td>
</tr>
<tr>
<td>(Out of which) Performance reserve article 20 of Regulation (EU) No 1303/2013</td>
<td>19.930.050,00</td>
<td>16.940.543,00</td>
<td>16.940.543,00</td>
<td>16.940.543,00</td>
<td>16.940.543,00</td>
<td>16.940.543,00</td>
<td>16.940.543,00</td>
<td>121.573.308,00</td>
</tr>
</tbody>
</table>

Total contributions: 2.026.221.750,00
10.2. Single EAFRD contribution rate for all measures broken down by type of region as referred to in Article 59(3) of Regulation (EU) No 1305/2013

<table>
<thead>
<tr>
<th>Article establishing the maximum contribution rate.</th>
<th>Applicable EAFRD Contribution Rate</th>
<th>Min applicable EAFRD cont. rate 2014-2020 (%)</th>
<th>Max applicable EAFRD cont. rate 2014-2020 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>59(3)(a) - Less developed regions &amp; outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93</td>
<td>85%</td>
<td>20%</td>
<td>85%</td>
</tr>
</tbody>
</table>
### 10.3. Breakdown by measure and type of operation with different EAFRD contribution rate (in € total period 2014-2020)

#### 10.3.1. M01 - Knowledge transfer and information actions (art 14)

<table>
<thead>
<tr>
<th>Types of regions and additional allocations</th>
<th>Applicable EAFRD Contribution rate 2014-2020 (%)</th>
<th>Applicable EAFRD Contribution rate with art 59(4)(g) 2014-2020 (%)</th>
<th>Rate applicable to financial instruments under MA responsibility 2014-2020 (%)</th>
<th>Rate applicable to financial instrument under MA responsibility with art 59(4)(g) 2014-2020 (%)</th>
<th>Financial Instruments Indicative EAFRD amount 2014-2020 (€)</th>
<th>Total Union Contribution planned 2014-2020 (€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main</td>
<td>85%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.00 (2A)</td>
</tr>
<tr>
<td>59(3)(a) - Less developed regions &amp; outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.00 (2B)</td>
</tr>
<tr>
<td>59(4)(a) - Measures referred to in Articles 14, 27 and 35, for the LEADER local development referred to in Article 32 of Regulation (EU) No 1303/2013 and for operations under Article 19(1)(a)(i)</td>
<td>90%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.00 (3A)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.00 (P4)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>0.00</strong></td>
<td><strong>0.00</strong></td>
<td><strong>0.00</strong></td>
<td><strong>0.00</strong></td>
<td><strong>3,150,000.00 (2A)</strong></td>
<td><strong>9,000,000,00</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### 10.3.2. M02 - Advisory services, farm management and farm relief services (art 15)

<table>
<thead>
<tr>
<th>Types of regions and additional allocations</th>
<th>Applicable EAFRD Contribution rate 2014-2020 (%)</th>
<th>Applicable EAFRD Contribution rate with art 59(4)(g) 2014-2020 (%)</th>
<th>Rate applicable to financial instruments under MA responsibility 2014-2020 (%)</th>
<th>Rate applicable to financial instrument under MA responsibility with art 59(4)(g) 2014-2020 (%)</th>
<th>Financial Instruments Indicative EAFRD amount 2014-2020 (€)</th>
<th>Total Union Contribution planned 2014-2020 (€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>59(3)(a) - Less developed regions &amp; outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93</td>
<td>Main</td>
<td>85%</td>
<td></td>
<td></td>
<td>3,000,000.00 (2A)</td>
<td>12,000,000.00</td>
</tr>
</tbody>
</table>

**Total** | | | | | 0,00 | 12,000,000.00 |
### 10.3.3. M03 - Quality schemes for agricultural products and foodstuffs (art 16)

<table>
<thead>
<tr>
<th>Types of regions and additional allocations</th>
<th>Applicable EAFRD Contribution rate 2014-2020 (%)</th>
<th>Applicable EAFRD Contribution rate with art 59(4)(g) 2014-2020 (%)</th>
<th>Rate applicable to financial instruments under MA responsibility 2014-2020 (%)</th>
<th>Rate applicable to financial instrument under MA responsibility with art 59(4)(g) 2014-2020 (%)</th>
<th>Financial Instruments Indicative EAFRD amount 2014-2020 (€)</th>
<th>Total Union Contribution planned 2014-2020 (€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>59(3)(a) - Less developed regions &amp; outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93</td>
<td>Main</td>
<td>85%</td>
<td></td>
<td></td>
<td>6,000,000.00 (3A)</td>
<td>6,000,000.00</td>
</tr>
</tbody>
</table>

- **Main** 85%
10.3.4. M04 - Investments in physical assets (art 17)

<table>
<thead>
<tr>
<th>Types of regions and additional allocations</th>
<th>Applicable EAFRD Contribution rate 2014-2020 (%)</th>
<th>Applicable EAFRD Contribution rate with art 59(4)(g) 2014-2020 (%)</th>
<th>Rate applicable to financial instruments under MA responsibility 2014-2020 (%)</th>
<th>Rate applicable to financial instrument under MA responsibility with art 59(4)(g) 2014-2020 (%)</th>
<th>Financial Instruments Indicative EAFRD amount 2014-2020 (€)</th>
<th>Total Union Contribution planned 2014-2020 (€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>59(3)(a) - Less developed regions &amp; outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93</td>
<td>Main 85%</td>
<td></td>
<td></td>
<td></td>
<td>333,137,565.46 (2A)</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
<td>81,719,453.91 (3A)</td>
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</tr>
<tr>
<td></td>
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<td></td>
<td></td>
<td>76,816,286.67 (5C)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>64,830,766.77 (5D)</td>
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<tr>
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<td></td>
<td>10,895,927.19 (P4)</td>
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</tr>
</tbody>
</table>
10.3.5. M05 - Restoring agricultural production potential damaged by natural disasters and catastrophic events and introduction of appropriate prevention actions (art 18)

<table>
<thead>
<tr>
<th>Types of regions and additional allocations</th>
<th>Applicable EAFRD Contribution rate 2014-2020 (%)</th>
<th>Applicable EAFRD Contribution rate with art 59(4)(g) 2014-2020 (%)</th>
<th>Rate applicable to financial instruments under MA responsibility 2014-2020 (%)</th>
<th>Rate applicable to financial instrument under MA responsibility with art 59(4)(g) 2014-2020 (%)</th>
<th>Financial Instruments Indicative EAFRD amount 2014-2020 (€)</th>
<th>Total Union Contribution planned 2014-2020 (€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>59(3)(a) - Less developed regions &amp; outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93</td>
<td>Main</td>
<td>85%</td>
<td></td>
<td></td>
<td></td>
<td>100,400,000.00 (3B)</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0,00</td>
</tr>
</tbody>
</table>
10.3.6. M06 - Farm and business development (art 19)

<table>
<thead>
<tr>
<th>Types of regions and additional allocations</th>
<th>Applicable EAFRD Contribution rate 2014-2020 (%)</th>
<th>Applicable EAFRD Contribution rate with art 59(4)(g) 2014-2020 (%)</th>
<th>Rate applicable to financial instruments under MA responsibility 2014-2020 (%)</th>
<th>Rate applicable to financial instrument under MA responsibility with art 59(4)(g) 2014-2020 (%)</th>
<th>Financial Instruments Indicative EAFRD amount 2014-2020 (€)</th>
<th>Total Union Contribution planned 2014-2020 (€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>59(3)(a) - Less developed regions &amp; outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93</td>
<td>Main</td>
<td>85%</td>
<td></td>
<td></td>
<td></td>
<td>67,800,000.00 (2A) 0.00 (2B) 113,000,000.00 (6A)</td>
</tr>
<tr>
<td>59(4)(a) - Measures referred to in Articles 14, 27 and 35, for the LEADER local development referred to in Article 32 of Regulation (EU) No 1303/2013 and for operations under Article 19(1)(a)(i)</td>
<td></td>
<td>90%</td>
<td></td>
<td></td>
<td></td>
<td>45,200,000.00 (2B) 0.00 (6A)</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.00 226,000,000.00</td>
</tr>
</tbody>
</table>
10.3.7. M07 - Basic services and village renewal in rural areas (art 20)

<table>
<thead>
<tr>
<th>Types of regions and additional allocations</th>
<th>Applicable EAFRD Contribution rate 2014-2020 (%)</th>
<th>Applicable EAFRD Contribution rate with art 59(4)(g) 2014-2020 (%)</th>
<th>Rate applicable to financial instruments under MA responsibility 2014-2020 (%)</th>
<th>Rate applicable to financial instrument under MA responsibility with art 59(4)(g) 2014-2020 (%)</th>
<th>Financial Instruments Indicative EAFRD amount 2014-2020 (€)</th>
<th>Total Union Contribution planned 2014-2020 (€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>59(3)(a) - Less developed regions &amp; outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93</td>
<td>Main</td>
<td>85%</td>
<td></td>
<td></td>
<td></td>
<td>226,000,000.00 (6B)</td>
</tr>
<tr>
<td>Total</td>
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<td></td>
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<td>0,00</td>
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</tbody>
</table>
10.3.8. M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)

<table>
<thead>
<tr>
<th>Types of regions and additional allocations</th>
<th>Applicable EAFRD Contribution rate 2014-2020 (%)</th>
<th>Applicable EAFRD Contribution rate with art 59(4)(g) 2014-2020 (%)</th>
<th>Rate applicable to financial instruments under MA responsibility 2014-2020 (%)</th>
<th>Rate applicable to financial instrument under MA responsibility with art 59(4)(g) 2014-2020 (%)</th>
<th>Financial Instruments Indicative EAFRD amount 2014-2020 (€)</th>
<th>Total Union Contribution planned 2014-2020 (€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>59(3)(a) - Less developed regions &amp; outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93</td>
<td>Main</td>
<td>85%</td>
<td></td>
<td></td>
<td>31,600,000.00 (5C)</td>
<td>31,600,000.00 (P4)</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0,00</td>
<td>79,000,000.00</td>
</tr>
</tbody>
</table>


### Types of regions and additional allocations

<table>
<thead>
<tr>
<th>Applicable EAFRD Contribution rate with art 59(4)(g) 2014-2020 (%)</th>
<th>Applicable EAFRD Contribution rate 2014-2020 (%)</th>
<th>Rate applicable to financial instruments under MA responsibility with art 59(4)(g) 2014-2020 (%)</th>
<th>Rate applicable to financial instrument under MA responsibility 2014-2020 (%)</th>
<th>Financial Instruments Indicative EAFRD amount 2014-2020 (€)</th>
<th>Total Union Contribution planned 2014-2020 (€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main 85%</td>
<td>85%</td>
<td></td>
<td></td>
<td></td>
<td>0.00 (3A)</td>
</tr>
<tr>
<td>59(3)(a) - Less developed regions &amp; outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93 90%</td>
<td>90%</td>
<td></td>
<td></td>
<td>8,000,000.00 (3A)</td>
<td>8,000,000.00</td>
</tr>
</tbody>
</table>

**Total** 0,00 8,000,000,00
### 10.3.10. M10 - Agri-environment-climate (art 28)

<table>
<thead>
<tr>
<th>Types of regions and additional allocations</th>
<th>Applicable EAFRD Contribution rate 2014-2020 (%)</th>
<th>Applicable EAFRD Contribution rate with art 59(4)(g) 2014-2020 (%)</th>
<th>Rate applicable to financial instruments under MA responsibility 2014-2020 (%)</th>
<th>Rate applicable to financial instrument under MA responsibility with art 59(4)(g) 2014-2020 (%)</th>
<th>Financial Instruments Indicative EAFRD amount 2014-2020 (€)</th>
<th>Total Union Contribution planned 2014-2020 (€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>59(3)(a) - Less developed regions &amp; outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93</td>
<td>Main</td>
<td>85%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
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<td></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
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<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0,00</td>
</tr>
</tbody>
</table>

- Total Union Contribution planned 2014-2020 (€): 188,826,820,00
### 10.3.11. M11 - Organic farming (art 29)

<table>
<thead>
<tr>
<th>Types of regions and additional allocations</th>
<th>Applicable EAFRD Contribution rate 2014-2020 (%)</th>
<th>Applicable EAFRD Contribution rate with art 59(4)(g) 2014-2020 (%)</th>
<th>Rate applicable to financial instruments under MA responsibility 2014-2020 (%)</th>
<th>Rate applicable to financial instrument under MA responsibility with art 59(4)(g) 2014-2020 (%)</th>
<th>Financial Instruments Indicative EAFRD amount 2014-2020 (€)</th>
<th>Total Union Contribution planned 2014-2020 (€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>59(3)(a) - Less developed regions &amp; outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93</td>
<td>Main</td>
<td>85%</td>
<td></td>
<td></td>
<td></td>
<td>0.00 (SE) 105,101,311.70 (P4)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.00</td>
</tr>
</tbody>
</table>
## 10.3.12. M13 - Payments to areas facing natural or other specific constraints (art 31)

<table>
<thead>
<tr>
<th>Types of regions and additional allocations</th>
<th>Applicable EAFRD Contribution rate 2014-2020 (%)</th>
<th>Applicable EAFRD Contribution rate with art 59(4)(g) 2014-2020 (%)</th>
<th>Rate applicable to financial instruments under MA responsibility 2014-2020 (%)</th>
<th>Rate applicable to financial instrument under MA responsibility with art 59(4)(g) 2014-2020 (%)</th>
<th>Financial Instruments Indicative EAFRD amount 2014-2020 (€)</th>
<th>Total Union Contribution planned 2014-2020 (€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>59(3)(a) - Less developed regions &amp; outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93</td>
<td>Main</td>
<td>85%</td>
<td></td>
<td></td>
<td></td>
<td>217,192,850,00 (P4)</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0,00</td>
</tr>
</tbody>
</table>
### 10.3.13. M16 - Co-operation (art 35)

<table>
<thead>
<tr>
<th>Types of regions and additional allocations</th>
<th>Applicable EAFRD Contribution rate 2014-2020 (%)</th>
<th>Applicable EAFRD Contribution rate with art 59(4)(g) 2014-2020 (%)</th>
<th>Rate applicable to financial instruments under MA responsibility 2014-2020 (%)</th>
<th>Rate applicable to financial instrument under MA responsibility with art 59(4)(g) 2014-2020 (%)</th>
<th>Financial Instruments Indicative EAFRD amount 2014-2020 (€)</th>
<th>Total Union Contribution planned 2014-2020 (€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>59(3)(a) - Less developed regions &amp; outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93</td>
<td>Main</td>
<td>85%</td>
<td></td>
<td></td>
<td></td>
<td>0.00 (2A)</td>
</tr>
<tr>
<td></td>
<td>59(4)(a) - Measures referred to in Articles 14, 27 and 35, for the LEADER local development referred to in Article 32 of Regulation (EU) No 1303/2013 and for operations under Article 19(1)(a)(i)</td>
<td>90%</td>
<td></td>
<td></td>
<td></td>
<td>4,050,000.00 (2A)</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>450,000.00 (3A)</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4,500,000.00</td>
</tr>
</tbody>
</table>

**Note:**
- 85% for Main regions.
- 90% for 59(4)(a) regions.
## 10.3.14. M17 - Risk management (art 36-39)

<table>
<thead>
<tr>
<th>Types of regions and additional allocations</th>
<th>Applicable EAFRD Contribution rate 2014-2020 (%)</th>
<th>Applicable EAFRD Contribution rate with art 59(4)(g) 2014-2020 (%)</th>
<th>Rate applicable to financial instruments under MA responsibility 2014-2020 (%)</th>
<th>Rate applicable to financial instrument under MA responsibility with art 59(4)(g) 2014-2020 (%)</th>
<th>Financial Instruments Indicative EAFRD amount 2014-2020 (€)</th>
<th>Total Union Contribution planned 2014-2020 (€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>59(3)(a) - Less developed regions &amp; outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93</td>
<td>Main</td>
<td>85%</td>
<td></td>
<td></td>
<td></td>
<td>0.00 (3B)</td>
</tr>
<tr>
<td>59(4)(a) - Measures referred to in Articles 14, 27 and 35, for the LEADER local development referred to in Article 32 of Regulation (EU) No 1303/2013 and for operations under Article 19(1)(a)(i)</td>
<td></td>
<td>85%</td>
<td></td>
<td></td>
<td></td>
<td>49,079,553.75 (3B)</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.00</td>
</tr>
</tbody>
</table>
10.3.15. M18 - Financing of complementary national direct payments for Croatia (art 40)

<table>
<thead>
<tr>
<th>Types of regions and additional allocations</th>
<th>Applicable EAFRD Contribution rate 2014-2020 (%)</th>
<th>Applicable EAFRD Contribution rate with art 59(4)(g) 2014-2020 (%)</th>
<th>Rate applicable to financial instruments under MA responsibility 2014-2020 (%)</th>
<th>Rate applicable to financial instrument under MA responsibility with art 59(4)(g) 2014-2020 (%)</th>
<th>Financial Instruments Indicative EAFRD amount 2014-2020 (€)</th>
<th>Total Union Contribution planned 2014-2020 (€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>59(3)(a) - Less developed regions &amp; outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93</td>
<td>Main</td>
<td>85%</td>
<td></td>
<td></td>
<td></td>
<td>0.00 (2A)</td>
</tr>
<tr>
<td>59(4)(a) - Measures referred to in Articles 14, 27 and 35, for the LEADER local development referred to in Article 32 of Regulation (EU) No 1303/2013 and for operations under Article 19(1)(a)(i)</td>
<td></td>
<td>80%</td>
<td></td>
<td></td>
<td></td>
<td>111,900,000.00 (2A)</td>
</tr>
</tbody>
</table>

Total | | | | | | 0,00 | 111,900,000,00 |
### Types of regions and additional allocations

<table>
<thead>
<tr>
<th>Types of regions and additional allocations</th>
<th>Applicable EAFRD Contribution rate 2014-2020 (%)</th>
<th>Applicable EAFRD Contribution rate with art 59(4)(g) 2014-2020 (%)</th>
<th>Rate applicable to financial instruments under MA responsibility 2014-2020 (%)</th>
<th>Rate applicable to financial instrument under MA responsibility with art 59(4)(g) 2014-2020 (%)</th>
<th>Financial Instruments Indicative EAFRD amount 2014-2020 (€)</th>
<th>Total Union Contribution planned 2014-2020 (€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>59(3)(a) - Less developed regions &amp; outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93</td>
<td>Main</td>
<td>85%</td>
<td></td>
<td></td>
<td></td>
<td>0.00 (6B)</td>
</tr>
<tr>
<td>59(4)(a) - Measures referred to in Articles 14, 27 and 35, for the LEADER local development referred to in Article 32 of Regulation (EU) No 1303/2013 and for operations under Article 19(1)(a)(i)</td>
<td>90%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>60,786,652.50 (6B)</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0,00</td>
</tr>
</tbody>
</table>

10.3.17. M20 - Technical assistance Member States (art 51-54)

<table>
<thead>
<tr>
<th>Types of regions and additional allocations</th>
<th>Applicable EAFRD Contribution rate 2014-2020 (%)</th>
<th>Applicable EAFRD Contribution rate with art 59(4)(g) 2014-2020 (%)</th>
<th>Rate applicable to financial instruments under MA responsibility 2014-2020 (%)</th>
<th>Rate applicable to financial instrument under MA responsibility with art 59(4)(g) 2014-2020 (%)</th>
<th>Financial Instruments Indicative EAFRD amount 2014-2020 (€)</th>
<th>Total Union Contribution planned 2014-2020 (€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>59(3)(a) - Less developed regions &amp; outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93</td>
<td>Main</td>
<td>85%</td>
<td></td>
<td></td>
<td></td>
<td>55,034,562.05</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.00</td>
<td>55,034,562,05</td>
</tr>
</tbody>
</table>
11. Indicator Plan

11.1. Indicator Plan

11.1.1. P1: Fostering knowledge transfer and innovation in agriculture, forestry and rural areas

11.1.1.1. 1A) Fostering innovation, cooperation, and the development of the knowledge base in rural areas

Target indicator(s) 2014-2020

<table>
<thead>
<tr>
<th>Target indicator name</th>
<th>Target value 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>T1: percentage of expenditure under Articles 14, 15 and 35 of Regulation (EU) No 1305/2013 in relation to the total expenditure for the RDP (focus area 1A)</td>
<td>1,22</td>
</tr>
<tr>
<td>Total RDP planned public expenditures</td>
<td>2,382,424,336,44</td>
</tr>
</tbody>
</table>

Planned output indicator(s) 2014-2020

<table>
<thead>
<tr>
<th>Measure name</th>
<th>Indicator name</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>M01 - Knowledge transfer and information actions (art 14)</td>
<td>Total public expenditure € (trainings, farm exchanges, demonstration) (1.1 to 1.3)</td>
<td>10,000,000,00</td>
</tr>
<tr>
<td>M02 - Advisory services, farm management and farm relief services (art 15)</td>
<td>Total public expenditure € (2.1 to 2.3)</td>
<td>14,117,646,76</td>
</tr>
<tr>
<td>M16 - Co-operation (art 35)</td>
<td>Total public expenditure € (16.1 to 16.9)</td>
<td>5,000,000,00</td>
</tr>
</tbody>
</table>
11.1.1.2. 1B) Strengthening the links between agriculture, food production and forestry and research and innovation, including for the purpose of improved environmental management and performance

Target indicator(s) 2014-2020

<table>
<thead>
<tr>
<th>Target indicator name</th>
<th>Target value 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>T2: Total number of cooperation operations supported under the cooperation measure (Article 35 of Regulation (EU) No 1305/2013) (groups, networks/clusters, pilot projects…) (focus area 1B)</td>
<td>55,00</td>
</tr>
</tbody>
</table>

Planned output indicator(s) 2014-2020

<table>
<thead>
<tr>
<th>Measure name</th>
<th>Indicator name</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>M16 - Co-operation (art 35)</td>
<td>Nr of EIP operational groups to be supported (establishment and operation) (16.1)</td>
<td>3,00</td>
</tr>
<tr>
<td>M16 - Co-operation (art 35)</td>
<td>Nr of other cooperation operations (groups, networks/clusters, pilot projects…) (16.2 to 16.9)</td>
<td>52,00</td>
</tr>
</tbody>
</table>
### 11.1.1.3. 1C) Fostering lifelong learning and vocational training in the agricultural and forestry sectors

**Target indicator(s) 2014-2020**

<table>
<thead>
<tr>
<th>Target indicator name</th>
<th>Target value 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>T3: Total number of participants trained under Article 14 of Regulation (EU) No 1305/2013 (focus area 1C)</td>
<td>39.450,00</td>
</tr>
</tbody>
</table>

**Planned output indicator(s) 2014-2020**

<table>
<thead>
<tr>
<th>Measure name</th>
<th>Indicator name</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>M01 - Knowledge transfer and information actions (art 14)</td>
<td>Training/skills acquisition (1.1) - Nbr of participants in trainings</td>
<td>39.450,00</td>
</tr>
</tbody>
</table>
11.1.2. P2: Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests

11.1.2.1. 2A) Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification

Target indicator(s) 2014-2020

<table>
<thead>
<tr>
<th>Target indicator name</th>
<th>Target value 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>T4: percentage of agricultural holdings with RDP support for investments in restructuring or modernisation (focus area 2A)</td>
<td>0,77</td>
</tr>
<tr>
<td>Number of agricultural holdings with RDP support for investments in restructuring or modernisation (focus area 2A)</td>
<td>1.796,00</td>
</tr>
</tbody>
</table>

Context Indicator used as denominator for the target

<table>
<thead>
<tr>
<th>Context Indicator name</th>
<th>Base year value</th>
</tr>
</thead>
<tbody>
<tr>
<td>17 Agricultural holdings (farms) - total</td>
<td>233.280,00</td>
</tr>
</tbody>
</table>

Planned output indicator(s) 2014-2020

<table>
<thead>
<tr>
<th>Measure name</th>
<th>Indicator name</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>M01 - Knowledge transfer and information actions (art 14)</td>
<td>Training/skills acquisition (1.1) - Nbr of participants in trainings</td>
<td>11.250,00</td>
</tr>
<tr>
<td>M01 - Knowledge transfer and information actions (art 14)</td>
<td>Training/skills acquisition (1.1) - Total public for training/skills</td>
<td>2.500.000,00</td>
</tr>
<tr>
<td>M01 - Knowledge transfer and information actions (art 14)</td>
<td>Total public expenditure € (trainings, farm exchanges, demonstration) (1.1 to 1.3)</td>
<td>3.500.000,00</td>
</tr>
<tr>
<td>M02 - Advisory services, farm management and farm relief services (art 15)</td>
<td>Nr of beneficiaries advised (2.1)</td>
<td>2.941,00</td>
</tr>
<tr>
<td>M02 - Advisory services, farm management and farm relief services (art 15)</td>
<td>Total public expenditure € (2.1 to 2.3)</td>
<td>3.529.411,76</td>
</tr>
<tr>
<td>M04 - Investments in physical assets (art 17)</td>
<td>Nr of holdings supported for investment in agricultural holdings (4.1)</td>
<td>1.796,00</td>
</tr>
<tr>
<td>M04 - Investments in physical assets (art 17)</td>
<td>Total public expenditure for investments in infrastructure (4.3)</td>
<td>217.918.543,76</td>
</tr>
<tr>
<td>M04 - Investments in physical assets (art 17)</td>
<td>Total investment € (public + private)</td>
<td>496.717.002,80</td>
</tr>
<tr>
<td>M04 - Investments in physical assets (art 17)</td>
<td>Total public expenditure € (4.1)</td>
<td>244.511.062,12</td>
</tr>
<tr>
<td>M04 - Investments in physical assets (art 17)</td>
<td>Total public expenditure €</td>
<td>365.334.029,24</td>
</tr>
<tr>
<td>M06 - Farm and business development (art 19)</td>
<td>Nr of beneficiaries (holdings) receiving start up aid development small farms (6.3)</td>
<td>6.647,00</td>
</tr>
<tr>
<td>M06 - Farm and business development (art 19)</td>
<td>Total investment € (public + private)</td>
<td>79.764.705,88</td>
</tr>
<tr>
<td>M06 - Farm and business development (art 19)</td>
<td>Total public expenditure €</td>
<td>79.764.705,88</td>
</tr>
<tr>
<td>M16 - Co-operation (art 35)</td>
<td>Total public expenditure € (16.1 to 16.9)</td>
<td>4.500.000,00</td>
</tr>
</tbody>
</table>
11.1.2.2. 2B) Facilitating the entry of adequately skilled farmers into the agricultural sector and, in particular, generational renewal

Target indicator(s) 2014-2020

<table>
<thead>
<tr>
<th>Target indicator name</th>
<th>Target value 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>T5: percentage of agricultural holdings with RDP supported business development plan/investments for young farmers (focus area 2B)</td>
<td>0,43</td>
</tr>
<tr>
<td>Number of agriculture holdings with RDP supported business development plan/investments for young farmers (focus area 2B)</td>
<td>1.004,00</td>
</tr>
</tbody>
</table>

Context Indicator used as denominator for the target

<table>
<thead>
<tr>
<th>Context Indicator name</th>
<th>Base year value</th>
</tr>
</thead>
<tbody>
<tr>
<td>17 Agricultural holdings (farms) - total</td>
<td>233,280,00</td>
</tr>
</tbody>
</table>

Planned output indicator(s) 2014-2020

<table>
<thead>
<tr>
<th>Measure name</th>
<th>Indicator name</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>M01 - Knowledge transfer and information actions (art 14)</td>
<td>Training/skills acquisition (1.1) - Nbr of participants in trainings</td>
<td>7,200,00</td>
</tr>
<tr>
<td>M01 - Knowledge transfer and information actions (art 14)</td>
<td>Training/skills acquisition (1.1) - Total public for training/skills</td>
<td>2,000,000,00</td>
</tr>
<tr>
<td>M01 - Knowledge transfer and information actions (art 14)</td>
<td>Total public expenditure € (trainings, farm exchanges, demonstration) (1.1 to 1.3)</td>
<td>2,000,000,00</td>
</tr>
<tr>
<td>M02 - Advisory services, farm management and farm relief services (art 15)</td>
<td>Nr of beneficiaries advised (2.1)</td>
<td>0,00</td>
</tr>
<tr>
<td>M02 - Advisory services, farm management and farm relief services (art 15)</td>
<td>Total public expenditure € (2.1 to 2.3)</td>
<td>705,882,00</td>
</tr>
<tr>
<td>M06 - Farm and business development (art 19)</td>
<td>Nr of beneficiaries (holdings) receiving start up aid young farmers (6.1)</td>
<td>1,004,00</td>
</tr>
<tr>
<td>M06 - Farm and business development (art 19)</td>
<td>Nr of beneficiaries (holdings) receiving support for investments in non-agric activities in rural areas (6.4)</td>
<td>1,111,00</td>
</tr>
<tr>
<td>M06 - Farm and business development (art 19)</td>
<td>Nr of beneficiaries (holdings) receiving transfer payment (6.5)</td>
<td>0</td>
</tr>
<tr>
<td>M06 - Farm and business development (art 19)</td>
<td>Total investment € (public + private)</td>
<td>50,222,222,22</td>
</tr>
<tr>
<td>M06 - Farm and business development (art 19)</td>
<td>Total public expenditure € (6.1)</td>
<td>50,222,222,22</td>
</tr>
<tr>
<td>M06 - Farm and business development (art 19)</td>
<td>Total public expenditure €</td>
<td>50,222,222,22</td>
</tr>
</tbody>
</table>
11.1.3. P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture

11.1.3.1. 3A) Improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and inter-branch organisations

Target indicator(s) 2014-2020

<table>
<thead>
<tr>
<th>Target indicator name</th>
<th>Target value 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>T6: percentage of agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisations (focus area 3A)</td>
<td>0,60</td>
</tr>
<tr>
<td>Number agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisations (focus area 3A)</td>
<td>1.400,00</td>
</tr>
</tbody>
</table>

Context Indicator used as denominator for the target

<table>
<thead>
<tr>
<th>Context Indicator name</th>
<th>Base year value</th>
</tr>
</thead>
<tbody>
<tr>
<td>17 Agricultural holdings (farms) - total</td>
<td>233,280,00</td>
</tr>
</tbody>
</table>

Planned output indicator(s) 2014-2020

<table>
<thead>
<tr>
<th>Measure name</th>
<th>Indicator name</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>M01 - Knowledge transfer and information actions (art 14)</td>
<td>Training/skills acquisition (1.1) - Nbr of participants in trainings</td>
<td>3,000,00</td>
</tr>
<tr>
<td></td>
<td>Training/skills acquisition (1.1) - Total public for training/skills</td>
<td>500,000,00</td>
</tr>
<tr>
<td></td>
<td>Training/skills acquisition (1.1) - Total public expenditure € (trainings, farm exchanges, demonstration) (1.1 to 1.3)</td>
<td>500,000,00</td>
</tr>
<tr>
<td>M03 - Quality schemes for agricultural products and foodstuffs (art 16)</td>
<td>Nr of holdings supported (3.1)</td>
<td>988,00</td>
</tr>
<tr>
<td></td>
<td>Total public expenditure € (3.1 to 3.2)</td>
<td>7,058,823,53</td>
</tr>
<tr>
<td>M04 - Investments in physical assets (art 17)</td>
<td>Nr of operations supported for investment (e.g. in agricultural holdings, in processing and marketing of ag. products) (4.1 and 4.2)</td>
<td>481,00</td>
</tr>
<tr>
<td></td>
<td>Total investment € (public + private)</td>
<td>192,281,068,02</td>
</tr>
<tr>
<td></td>
<td>Total public expenditure €</td>
<td>96,140,534,01</td>
</tr>
<tr>
<td>M09 - Setting-up of producer groups and organisations (art 27)</td>
<td>Nr of operations supported (producer groups set up)</td>
<td>23,00</td>
</tr>
<tr>
<td></td>
<td>Nr of holdings participating in producer groups supported</td>
<td>345,00</td>
</tr>
<tr>
<td></td>
<td>Total public expenditure €</td>
<td>8,888,888,89</td>
</tr>
<tr>
<td>M16 - Co-operation (art 35)</td>
<td>Nr of agricultural holdings participating in cooperation/local promotion among supply chain actors (16.4)</td>
<td>67,00</td>
</tr>
<tr>
<td></td>
<td>Total public expenditure € (16.1 to 16.9)</td>
<td>500,000,00</td>
</tr>
</tbody>
</table>
11.1.3.2. 3B) Supporting farm risk prevention and management

Target indicator(s) 2014-2020

<table>
<thead>
<tr>
<th>Target indicator name</th>
<th>Target value 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>T7: percentage of farms participating in risk management schemes (focus area 3B)</td>
<td>3,54</td>
</tr>
<tr>
<td>Number of agricultural holdings participating in risk management scheme (focus area 3B)</td>
<td>8.267,00</td>
</tr>
</tbody>
</table>

Context Indicator used as denominator for the target

<table>
<thead>
<tr>
<th>Context Indicator name</th>
<th>Base year value</th>
</tr>
</thead>
<tbody>
<tr>
<td>17 Agricultural holdings (farms) - total</td>
<td>233,280,00</td>
</tr>
</tbody>
</table>

Planned output indicator(s) 2014-2020

<table>
<thead>
<tr>
<th>Measure name</th>
<th>Indicator name</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>M05 - Restoring agricultural production potential damaged by natural disasters and catastrophic events and introduction of appropriate prevention actions (art 18)</td>
<td>Nr of beneficiaries for preventive actions (5.1) - farm holdings</td>
<td>0</td>
</tr>
<tr>
<td>M05 - Restoring agricultural production potential damaged by natural disasters and catastrophic events and introduction of appropriate prevention actions (art 18)</td>
<td>Nr of beneficiaries for preventive actions (5.1) - public entities</td>
<td>0</td>
</tr>
<tr>
<td>M05 - Restoring agricultural production potential damaged by natural disasters and catastrophic events and introduction of appropriate prevention actions (art 18)</td>
<td>Total public expenditure € (5.1)</td>
<td>0</td>
</tr>
<tr>
<td>M05 - Restoring agricultural production potential damaged by natural disasters and catastrophic events and introduction of appropriate prevention actions (art 18)</td>
<td>Total public expenditure € (5.1 to 5.2)</td>
<td>118,117,647,06</td>
</tr>
<tr>
<td>M17 - Risk management (art 36-39)</td>
<td>Nr of farm holdings supported for premium for insurance (17.1)</td>
<td>8,267,00</td>
</tr>
<tr>
<td>M17 - Risk management (art 36-39)</td>
<td>Total public expenditure € (17.1)</td>
<td>57,740,651,47</td>
</tr>
<tr>
<td>M17 - Risk management (art 36-39)</td>
<td>Nr of farm holdings participating in mutual funds (17.2)</td>
<td>0</td>
</tr>
<tr>
<td>M17 - Risk management (art 36-39)</td>
<td>Total public expenditure € (17.2)</td>
<td>0</td>
</tr>
<tr>
<td>M17 - Risk management (art 36-39)</td>
<td>Nr of farm holdings participating to income stabilisation tool (17.3)</td>
<td>0</td>
</tr>
<tr>
<td>M17 - Risk management (art 36-39)</td>
<td>Total public expenditure € (17.3)</td>
<td>0</td>
</tr>
</tbody>
</table>
### Agriculture

**Planned output indicator(s) 2014-2020**

<table>
<thead>
<tr>
<th>Measure name</th>
<th>Indicator name</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>M01 - Knowledge transfer and information actions (art 14)</td>
<td>Training/skills acquisition (1.1) - Nbr of participants in trainings</td>
<td>18.000,00</td>
</tr>
<tr>
<td>M01 - Knowledge transfer and information actions (art 14)</td>
<td>Training/skills acquisition (1.1) - Total public for training/skills</td>
<td>4.000.000,00</td>
</tr>
<tr>
<td>M01 - Knowledge transfer and information actions (art 14)</td>
<td>Total public expenditure € (trainings, farm exchanges, demonstration) (1.1 to 1.3)</td>
<td>4.000.000,00</td>
</tr>
<tr>
<td>M02 - Advisory services, farm management and farm relief services (art 15)</td>
<td>Nr of beneficiaries advised (2.1)</td>
<td>7.058,82</td>
</tr>
<tr>
<td>M02 - Advisory services, farm management and farm relief services (art 15)</td>
<td>Total public expenditure € (2.1 to 2.3)</td>
<td>8.470.588,00</td>
</tr>
<tr>
<td>M04 - Investments in physical assets (art 17)</td>
<td>Nr of operations of support for non productive investment (4.4)</td>
<td>183,00</td>
</tr>
<tr>
<td>M04 - Investments in physical assets (art 17)</td>
<td>Total investment € (public + private)</td>
<td>12.818.738,00</td>
</tr>
<tr>
<td>M04 - Investments in physical assets (art 17)</td>
<td>Total public expenditure €</td>
<td>12.818.738,00</td>
</tr>
<tr>
<td>M10 - Agri-environment-climate (art 28)</td>
<td>Area (ha) under agri-environment-climate (10.1)</td>
<td>59.250,00</td>
</tr>
<tr>
<td>M10 - Agri-environment-climate (art 28)</td>
<td>Public expenditure for genetic resources conservation (10.2)</td>
<td>15.431.308,56</td>
</tr>
<tr>
<td>M10 - Agri-environment-climate (art 28)</td>
<td>Total public expenditure (€)</td>
<td>171.341.297,79</td>
</tr>
<tr>
<td>M11 - Organic farming (art 29)</td>
<td>Area (ha) - conversion to organic farming (11.1)</td>
<td>19.700,00</td>
</tr>
<tr>
<td>M11 - Organic farming (art 29)</td>
<td>Area (ha) - maintainance of organic farming (11.2)</td>
<td>40.575,00</td>
</tr>
<tr>
<td>M11 - Organic farming (art 29)</td>
<td>Total public expenditure (€)</td>
<td>123.648.602,00</td>
</tr>
<tr>
<td>M13 - Payments to areas facing natural or other specific constraints (art 31)</td>
<td>Area (ha) - mountain areas (13.1)</td>
<td>30.000,00</td>
</tr>
<tr>
<td>M13 - Payments to areas facing natural or other specific constraints (art 31)</td>
<td>Area (ha) - other areas with significant NC (13.2)</td>
<td>150.000,00</td>
</tr>
<tr>
<td>M13 - Payments to areas facing natural or other specific constraints (art 31)</td>
<td>Area (ha) - areas with specific constraints (13.3)</td>
<td>7.000,00</td>
</tr>
<tr>
<td>M13 - Payments to areas facing natural or other specific constraints (art 31)</td>
<td>Total public expenditure (€)</td>
<td>255.521.000,00</td>
</tr>
</tbody>
</table>

### Forest

**Planned output indicator(s) 2014-2020**

<table>
<thead>
<tr>
<th>Measure name</th>
<th>Indicator name</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>M01 - Knowledge transfer and information actions (art 14)</td>
<td>Training/skills acquisition (1.1) - Nbr of participants in trainings</td>
<td>0</td>
</tr>
<tr>
<td>M01 - Knowledge transfer and information actions (art 14)</td>
<td>Training/skills acquisition (1.1) - Total public for training/skills</td>
<td>0</td>
</tr>
<tr>
<td>M01 - Knowledge transfer and information actions (art 14)</td>
<td>Total public expenditure € (trainings, farm exchanges, demonstration) (1.1 to 1.3)</td>
<td>0</td>
</tr>
<tr>
<td>M02 - Advisory services, farm management and farm relief services (art 15)</td>
<td>Nr of beneficiaries advised (2.1)</td>
<td>1.176,00</td>
</tr>
<tr>
<td>M02 - Advisory services, farm management and farm relief services (art 15)</td>
<td>Total public expenditure € (2.1 to 2.3)</td>
<td>1.411.765,00</td>
</tr>
<tr>
<td>M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)</td>
<td>Total public expenditure (€) (8.1)</td>
<td>0</td>
</tr>
<tr>
<td>M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)</td>
<td>Total public expenditure (€) (8.2)</td>
<td>0</td>
</tr>
<tr>
<td>M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)</td>
<td>Total public expenditure (€) (8.3)</td>
<td>0</td>
</tr>
<tr>
<td>M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)</td>
<td>Total public expenditure (€) (8.4)</td>
<td>0</td>
</tr>
<tr>
<td>M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)</td>
<td>Nr of beneficiaries for preventive actions (8.3)</td>
<td>0</td>
</tr>
<tr>
<td>M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)</td>
<td>Total public expenditure (€) (8.5)</td>
<td>0</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)</td>
<td>Nr of operations (investments improving resilience and value of forest ecosystems) (8.5)</td>
<td>451,00</td>
</tr>
<tr>
<td>M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)</td>
<td>Areas concerned by investments improving resilience and environmental value of forest ecosystems (8.5)</td>
<td>6.000,00</td>
</tr>
<tr>
<td>M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)</td>
<td>Total public expenditure (€) (8.6)</td>
<td>37.176.471,00</td>
</tr>
</tbody>
</table>
11.1.4.1. 4A) Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints and high nature value farming, as well as the state of European landscapes

**Agriculture**

**Target indicator(s) 2014-2020**

<table>
<thead>
<tr>
<th>Target indicator name</th>
<th>Target value 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>T9: percentage of agricultural land under management contracts supporting biodiversity and/or landscapes (focus area 4A)</td>
<td>8,80</td>
</tr>
<tr>
<td>Agricultural land under management contracts supporting biodiversity and/or landscapes (ha) (focus area 4A)</td>
<td>115,825,00</td>
</tr>
</tbody>
</table>

**Context Indicator used as denominator for the target**

<table>
<thead>
<tr>
<th>Context Indicator name</th>
<th>Base year value</th>
</tr>
</thead>
<tbody>
<tr>
<td>18 Agricultural Area - total UAA</td>
<td>1,316,010,00</td>
</tr>
</tbody>
</table>

**Forest**

**Target indicator(s) 2014-2020**

<table>
<thead>
<tr>
<th>Target indicator name</th>
<th>Target value 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>T8: percentage of forest/other wooded area under management contracts supporting biodiversity (focus area 4A)</td>
<td>0,24</td>
</tr>
<tr>
<td>Forest/other wooded area under management contracts supporting biodiversity (ha) (focus area 4A)</td>
<td>6,000,00</td>
</tr>
</tbody>
</table>

**Context Indicator used as denominator for the target**

<table>
<thead>
<tr>
<th>Context Indicator name</th>
<th>Base year value</th>
</tr>
</thead>
<tbody>
<tr>
<td>29 Forest and other wooded land (FOWL) (000) - total</td>
<td>2,474,00</td>
</tr>
</tbody>
</table>
11.1.4.2. 4B) Improving water management, including fertiliser and pesticide management

**Agriculture**

**Target indicator(s) 2014-2020**

<table>
<thead>
<tr>
<th>Target indicator name</th>
<th>Target value 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>T10: percentage of agricultural land under management contracts to improve water management (focus area 4B)</td>
<td>8.63</td>
</tr>
<tr>
<td>Agricultural land under management contracts to improve water management (ha) (focus area 4B)</td>
<td>113,575,00</td>
</tr>
</tbody>
</table>

**Context Indicator used as denominator for the target**

<table>
<thead>
<tr>
<th>Context Indicator name</th>
<th>Base year value</th>
</tr>
</thead>
<tbody>
<tr>
<td>18 Agricultural Area - total UAA</td>
<td>1,316,010,00</td>
</tr>
</tbody>
</table>

**Forest**

**Target indicator(s) 2014-2020**

<table>
<thead>
<tr>
<th>Target indicator name</th>
<th>Target value 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>T11: percentage of forestry land under management contracts to improve water management (focus area 4B)</td>
<td>0.24</td>
</tr>
<tr>
<td>Forestry land under management contracts to improve water management (ha) (focus area 4B)</td>
<td>6,000,00</td>
</tr>
</tbody>
</table>

**Context Indicator used as denominator for the target**

<table>
<thead>
<tr>
<th>Context Indicator name</th>
<th>Base year value</th>
</tr>
</thead>
<tbody>
<tr>
<td>29 Forest and other wooded land (FOWL) (000) - total</td>
<td>2,474,00</td>
</tr>
</tbody>
</table>
11.1.4.3. 4C) Preventing soil erosion and improving soil management

**Agriculture**

**Target indicator(s) 2014-2020**

<table>
<thead>
<tr>
<th>Target indicator name</th>
<th>Target value 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>T12: percentage of agricultural land under management contracts to improve soil management and/or prevent soil erosion (focus area 4C)</td>
<td>8,77</td>
</tr>
<tr>
<td>Agricultural land under management contracts to improve soil management and/or prevent soil erosion (ha) (focus area 4C)</td>
<td>115,475,00</td>
</tr>
</tbody>
</table>

**Context Indicator used as denominator for the target**

<table>
<thead>
<tr>
<th>Context Indicator name</th>
<th>Base year value</th>
</tr>
</thead>
<tbody>
<tr>
<td>18 Agricultural Area - total UAA</td>
<td>1,316,010,00</td>
</tr>
</tbody>
</table>

**Forest**

**Target indicator(s) 2014-2020**

<table>
<thead>
<tr>
<th>Target indicator name</th>
<th>Target value 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>T13: percentage of forestry land under management contracts to improve soil management and/or prevent soil erosion (focus area 4C)</td>
<td>0,24</td>
</tr>
<tr>
<td>Forestry land under management contracts to improve soil management and/or prevent soil erosion (ha) (focus area 4C)</td>
<td>6,000,00</td>
</tr>
</tbody>
</table>

**Context Indicator used as denominator for the target**

<table>
<thead>
<tr>
<th>Context Indicator name</th>
<th>Base year value</th>
</tr>
</thead>
<tbody>
<tr>
<td>29 Forest and other wooded land (FOWL) (000) - total</td>
<td>2,474,00</td>
</tr>
</tbody>
</table>
11.1.5. P5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors

11.1.5.1. 5A) Increasing efficiency in water use by agriculture

No measures have been selected in the strategy for this focus area.
11.1.5.2. 5B) Increasing efficiency in energy use in agriculture and food processing

No measures have been selected in the strategy for this focus area.
11.1.5.3. 5C) Facilitating the supply and use of renewable sources of energy, of by products, wastes, residues and other non food raw material for the purposes of the bio-economy

**Target indicator(s) 2014-2020**

<table>
<thead>
<tr>
<th>Target indicator name</th>
<th>Target value 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>T16: Total investment in renewable energy production (€) (focus area 5C)</td>
<td>192,100,074,38</td>
</tr>
</tbody>
</table>

**Planned output indicator(s) 2014-2020**

<table>
<thead>
<tr>
<th>Measure name</th>
<th>Indicator name</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>M04 - Investments in physical assets (art 17)</td>
<td>Nr of operations supported for investment (4.1, 4.3)</td>
<td>732,00</td>
</tr>
<tr>
<td>M04 - Investments in physical assets (art 17)</td>
<td>Total investment € (public + private)</td>
<td>154,923,603,38</td>
</tr>
<tr>
<td>M04 - Investments in physical assets (art 17)</td>
<td>Total public expenditure €</td>
<td>90,372,101,97</td>
</tr>
<tr>
<td>M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)</td>
<td>Total public expenditure (€) (8.1)</td>
<td>0</td>
</tr>
<tr>
<td>M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)</td>
<td>Total public expenditure (€) (8.2)</td>
<td>0</td>
</tr>
<tr>
<td>M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)</td>
<td>Total public expenditure (€) (8.3)</td>
<td>0</td>
</tr>
<tr>
<td>M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)</td>
<td>Total public expenditure (€) (8.4)</td>
<td>0</td>
</tr>
<tr>
<td>M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)</td>
<td>Total public expenditure (€) (8.5)</td>
<td>0</td>
</tr>
<tr>
<td>M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)</td>
<td>Total public expenditure (€) (8.6)</td>
<td>409,00</td>
</tr>
<tr>
<td>M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)</td>
<td>Nr of operations for investments in forestry technology and primary processing/marketing (8.6)</td>
<td>57,194,570,00</td>
</tr>
<tr>
<td>M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)</td>
<td>Total investment € (public + private) (8.6)</td>
<td>37,176,471,00</td>
</tr>
</tbody>
</table>
11.1.5.4. 5D) Reducing greenhouse gas and ammonia emissions from agriculture

Target indicator(s) 2014-2020

<table>
<thead>
<tr>
<th>Target indicator name</th>
<th>Target value 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>LU concerned by investments in livestock management in view of reducing GHG and/or ammonia emissions (focus area 5D)</td>
<td>36,320,00</td>
</tr>
<tr>
<td>T17: percentage of LU concerned by investments in livestock management in view of reducing GHG and/or ammonia emissions (focus area 5D)</td>
<td>3.56</td>
</tr>
<tr>
<td>T18: percentage of agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions (focus area 5D)</td>
<td>0.04</td>
</tr>
<tr>
<td>Agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions (ha) (focus area 5D)</td>
<td>500,00</td>
</tr>
</tbody>
</table>

Context Indicator used as denominator for the target

<table>
<thead>
<tr>
<th>Context Indicator name</th>
<th>Base year value</th>
</tr>
</thead>
<tbody>
<tr>
<td>18 Agricultural Area - total UAA</td>
<td>1,316,010,00</td>
</tr>
<tr>
<td>21 Livestock units - total</td>
<td>1,020,180,00</td>
</tr>
</tbody>
</table>

Planned output indicator(s) 2014-2020

<table>
<thead>
<tr>
<th>Measure name</th>
<th>Indicator name</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>M04 - Investments in physical assets (art 17)</td>
<td>Nr of operations supported for investment (e.g. manure storage, manure treatment) (4.1, 4.4 and 4.5)</td>
<td>1,211,00</td>
</tr>
<tr>
<td>M04 - Investments in physical assets (art 17)</td>
<td>LU concerned by investment in livestock management in view of reducing GHG and ammonia emissions</td>
<td>36,320,00</td>
</tr>
<tr>
<td>M04 - Investments in physical assets (art 17)</td>
<td>Total investment € (public + private)</td>
<td>108,959,271,88</td>
</tr>
<tr>
<td>M04 - Investments in physical assets (art 17)</td>
<td>Total public expenditure €</td>
<td>76,271,490,31</td>
</tr>
<tr>
<td>M10 - Agri-environment-climate (art 28)</td>
<td>Area (ha) (e.g. green cover, catch crop, reduced fertilisation, extensification…)</td>
<td>500,00</td>
</tr>
<tr>
<td>M10 - Agri-environment-climate (art 28)</td>
<td>Total public expenditure (€)</td>
<td>20,757,462,57</td>
</tr>
</tbody>
</table>
11.1.5.5. 5E) Fostering carbon conservation and sequestration in agriculture and forestry

**Target indicator(s) 2014-2020**

<table>
<thead>
<tr>
<th>Target indicator name</th>
<th>Target value 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>T19: percentage of agricultural and forest land under management contracts contributing to carbon sequestration and conservation (focus area 5E)</td>
<td>1.38</td>
</tr>
<tr>
<td>Agricultural and forest land under management to foster carbon sequestration/conservation (ha) (focus area 5E)</td>
<td>52.300,00</td>
</tr>
</tbody>
</table>

**Context Indicator used as denominator for the target**

<table>
<thead>
<tr>
<th>Context Indicator name</th>
<th>Base year value</th>
</tr>
</thead>
<tbody>
<tr>
<td>18 Agricultural Area - total UAA</td>
<td>1,316,010,00</td>
</tr>
<tr>
<td>29 Forest and other wooded land (FOWL) (000) - total</td>
<td>2,474,00</td>
</tr>
</tbody>
</table>

**Planned output indicator(s) 2014-2020**

<table>
<thead>
<tr>
<th>Measure name</th>
<th>Indicator name</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>M10 - Agri-environment-climate (art 28)</td>
<td>Area (ha) under agri-environment-climate for carbon sequestration</td>
<td>2,100,00</td>
</tr>
<tr>
<td>M10 - Agri-environment-climate (art 28)</td>
<td>Total public expenditure (€)</td>
<td>30,050,440,00</td>
</tr>
<tr>
<td>M11 - Organic farming (art 29)</td>
<td>Area (ha) - conversion to organic farming (11.1)</td>
<td>0</td>
</tr>
<tr>
<td>M11 - Organic farming (art 29)</td>
<td>Area (ha) - maintenance of organic farming (11.2)</td>
<td>0</td>
</tr>
<tr>
<td>M11 - Organic farming (art 29)</td>
<td>Total public expenditure (€)</td>
<td>0</td>
</tr>
</tbody>
</table>
11.1.6. P6: Promoting social inclusion, poverty reduction and economic development in rural areas

11.1.6.1. 6A) Facilitating diversification, creation and development of small enterprises, as well as job creation

Target indicator(s) 2014-2020

<table>
<thead>
<tr>
<th>Target indicator name</th>
<th>Target value 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>T20: Jobs created in supported projects (focus area 6A)</td>
<td>1,976,00</td>
</tr>
</tbody>
</table>

Planned output indicator(s) 2014-2020

<table>
<thead>
<tr>
<th>Measure name</th>
<th>Indicator name</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>M06 - Farm and business development (art 19)</td>
<td>Nr of beneficiaries (holdings) receiving start up aid/support for investment in non-agric activities in rural areas (6.2 and 6.4)</td>
<td>2,440,00</td>
</tr>
<tr>
<td>M06 - Farm and business development (art 19)</td>
<td>Total investment € (public + private)</td>
<td>152,882,352,94</td>
</tr>
<tr>
<td>M06 - Farm and business development (art 19)</td>
<td>Total public expenditure €</td>
<td>132,941,176,41</td>
</tr>
<tr>
<td>M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)</td>
<td>Total public expenditure (€) (8.1)</td>
<td>0</td>
</tr>
<tr>
<td>M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)</td>
<td>Total public expenditure (€) (8.2)</td>
<td>0</td>
</tr>
<tr>
<td>M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)</td>
<td>Total public expenditure (€) (8.3)</td>
<td>0</td>
</tr>
<tr>
<td>M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)</td>
<td>Total public expenditure (€) (8.4)</td>
<td>0</td>
</tr>
<tr>
<td>M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)</td>
<td>Total public expenditure (€) (8.5)</td>
<td>0</td>
</tr>
<tr>
<td>M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)</td>
<td>Total public expenditure (€) (8.6)</td>
<td>465,00</td>
</tr>
<tr>
<td>M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)</td>
<td>Nr of operations for investments in forestry technology and primary processing/marketing (8.6)</td>
<td>28,597,285,00</td>
</tr>
<tr>
<td>M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)</td>
<td>Total investment € (public + private) (8.6)</td>
<td>18,588,235,00</td>
</tr>
</tbody>
</table>
### 11.1.6.2. 6B) Fostering local development in rural areas

**Target indicator(s) 2014-2020**

<table>
<thead>
<tr>
<th>Target indicator name</th>
<th>Target value 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>T21: percentage of rural population covered by local development strategies (focus area 6B)</td>
<td>39,63</td>
</tr>
<tr>
<td>Rural population covered by local development strategies (focus area 6B)</td>
<td>1.427.724,00</td>
</tr>
<tr>
<td>T22: percentage of rural population benefiting from improved services/infrastructures (focus area 6B)</td>
<td>29,78</td>
</tr>
<tr>
<td>T23: Jobs created in supported projects (Leader) (focus area 6B)</td>
<td>180,00</td>
</tr>
<tr>
<td>Net population</td>
<td>1.072.653,00</td>
</tr>
</tbody>
</table>

**Context Indicator used as denominator for the target**

<table>
<thead>
<tr>
<th>Context Indicator name</th>
<th>Base year value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Population - total</td>
<td>4.398.150,00</td>
</tr>
<tr>
<td>1 Population - rural</td>
<td>56,53</td>
</tr>
<tr>
<td>1 Population - intermediate</td>
<td>25,37</td>
</tr>
</tbody>
</table>

**Planned output indicator(s) 2014-2020**

<table>
<thead>
<tr>
<th>Measure name</th>
<th>Indicator name</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>M07 - Basic services and village renewal in rural areas (art 20)</td>
<td>Nr of operations supported for drawing up of village development and N2000/HNV area management plans (7.1)</td>
<td>380,00</td>
</tr>
<tr>
<td>M07 - Basic services and village renewal in rural areas (art 20)</td>
<td>Nr of operations supported for investments of small scale infrastructure, including investments in renewable energy and energy saving (7.2)</td>
<td>292,00</td>
</tr>
<tr>
<td>M07 - Basic services and village renewal in rural areas (art 20)</td>
<td>Nr of operations supported for investments in local basic services for the rural population (7.4)</td>
<td>355,00</td>
</tr>
<tr>
<td>M07 - Basic services and village renewal in rural areas (art 20)</td>
<td>Nr of operations supported for investments in recreational/tourist infrastructure (7.5)</td>
<td>0</td>
</tr>
<tr>
<td>M07 - Basic services and village renewal in rural areas (art 20)</td>
<td>Nr of operations supported for studies/investments in rural cultural and natural heritage, incl HNV sites (7.6)</td>
<td>0</td>
</tr>
<tr>
<td>M07 - Basic services and village renewal in rural areas (art 20)</td>
<td>Nr of operations supported for investments in relocation of activities for environmental/quality of life reasons (7.7)</td>
<td>0</td>
</tr>
<tr>
<td>M07 - Basic services and village renewal in rural areas (art 20)</td>
<td>Nr of operations Others (7.8)</td>
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</tr>
<tr>
<td>M07 - Basic services and village renewal in rural areas (art 20)</td>
<td>Population benefiting from improved services/infrastructures (7.1; 7.2; 7.4; 7.5; 7.6; 7.7)</td>
<td>1.072.653,00</td>
</tr>
<tr>
<td>M07 - Basic services and village renewal in rural areas (art 20)</td>
<td>Total public expenditure (€)</td>
<td>265.882.352,94</td>
</tr>
<tr>
<td>M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU No 1303/2013))</td>
<td>Number of LAGs selected</td>
<td>45,00</td>
</tr>
<tr>
<td>M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU No 1303/2013))</td>
<td>Population covered by LAG</td>
<td>1.427.724,00</td>
</tr>
<tr>
<td>M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU No 1303/2013))</td>
<td>Total public expenditure (€) - preparatory support (19.1)</td>
<td>4.052.444,00</td>
</tr>
<tr>
<td>M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU No 1303/2013))</td>
<td>Total public expenditure (€) - support for implementation of operations under the CLLD strategy (19.2)</td>
<td>43.226.064,00</td>
</tr>
<tr>
<td>M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU No 1303/2013))</td>
<td>Total public expenditure (€) - preparation and implementation of cooperation activities of the local action group (19.3)</td>
<td>4.052.444,00</td>
</tr>
<tr>
<td>M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU)</td>
<td>Total public expenditure (€) - support for running costs and animation (19.4)</td>
<td>0</td>
</tr>
</tbody>
</table>
11.1.6.3. 6C) Enhancing the accessibility, use and quality of information and communication technologies (ICT) in rural areas

No measures have been selected in the strategy for this focus area.
### 11.2. Overview of the planned output and planned expenditure by measure and by focus area (generated automatically)

<table>
<thead>
<tr>
<th>Measures</th>
<th>Indicators</th>
<th>P2</th>
<th>P3</th>
<th>P4</th>
<th>P5</th>
<th>P6</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2A</td>
<td>2B</td>
<td>3A</td>
<td>3B</td>
<td>4A</td>
<td>4B</td>
</tr>
<tr>
<td>M01</td>
<td>Training/skills acquisition (1.1) - Nbr of participants in trainings</td>
<td>11,250</td>
<td>7,200</td>
<td>3,000</td>
<td>18,000</td>
<td>39,450</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Training/skills acquisition (1.1) - Total public for training/skills</td>
<td>2,500,000</td>
<td>2,000,000</td>
<td>500,000</td>
<td>4,000,000</td>
<td>9,000,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total public expenditure € (trainings, farm exchanges, demonstration) (1.1 to 1.3)</td>
<td>3,500,000</td>
<td>2,000,000</td>
<td>500,000</td>
<td>4,000,000</td>
<td>10,000,000</td>
<td></td>
</tr>
<tr>
<td>M02</td>
<td>Nr of beneficiaries advised (2.1)</td>
<td>2,941</td>
<td>0</td>
<td>8,235</td>
<td>11,176</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>Total public expenditure € (2.1 to 2.3)</td>
<td>3,529,411.76</td>
<td>705,882</td>
<td>9,882,353</td>
<td>14,117,646.76</td>
<td></td>
<td></td>
</tr>
<tr>
<td>M03</td>
<td>Nr of holdings supported (3.1)</td>
<td></td>
<td></td>
<td>988</td>
<td>988</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total public expenditure € (3.1 to 3.2)</td>
<td></td>
<td></td>
<td>7,058,823.53</td>
<td>7,058,823.53</td>
<td></td>
<td></td>
</tr>
<tr>
<td>M04</td>
<td>Total investment € (public + private)</td>
<td>496,717,002.8</td>
<td>192,281,068.02</td>
<td>12,818,738</td>
<td>154,923,603.38</td>
<td>154,923,603.38</td>
<td>965,699,684.08</td>
</tr>
<tr>
<td></td>
<td>Total public expenditure €</td>
<td>365,334,029.24</td>
<td>96,140,534.01</td>
<td>12,818,738</td>
<td>90,372,101.97</td>
<td>76,271,490.31</td>
<td>640,936,893.53</td>
</tr>
<tr>
<td>M05</td>
<td>Total public expenditure (€) (5.1 to 5.2)</td>
<td></td>
<td></td>
<td>118,117,647.06</td>
<td>118,117,647.06</td>
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<td></td>
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<tr>
<td>M06</td>
<td>Total investment € (public + private)</td>
<td>79,764,705.88</td>
<td>50,222,222.22</td>
<td>152,882,352.94</td>
<td>282,869,281.04</td>
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<tr>
<td></td>
<td>Total public expenditure €</td>
<td>79,764,705.88</td>
<td>50,222,222.22</td>
<td>132,941,176.41</td>
<td>262,928,104.51</td>
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<tr>
<td>M07</td>
<td>Total public expenditure (€)</td>
<td></td>
<td></td>
<td></td>
<td>265,882,352.94</td>
<td>265,882,352.94</td>
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<tr>
<td>M08</td>
<td>Total public expenditure (€) (8.6)</td>
<td>37,176,471</td>
<td>409</td>
<td>465</td>
<td>37,177,345</td>
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<tr>
<td>M09</td>
<td>Total public expenditure (€)</td>
<td>8,888,888.89</td>
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<td></td>
<td>8,888,888.89</td>
<td></td>
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<tr>
<td></td>
<td>Area (ha) under agri-environment-climate (10.1)</td>
<td>59,250</td>
<td></td>
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<td>59,250</td>
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<td></td>
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<tr>
<td></td>
<td>Area (ha) (e.g. green cover, catch crop, reduced fertilisation, extensification…)</td>
<td>500</td>
<td></td>
<td></td>
<td>500</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Area (ha) under agri-environment-climate for carbon sequestration</td>
<td>2,100</td>
<td></td>
<td></td>
<td>2,100</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Total public expenditure (€)</td>
<td>171,341,297.79</td>
<td>20,757,462.57</td>
<td>30,050,440</td>
<td>222,149,200.36</td>
<td></td>
<td></td>
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<tr>
<td>M10</td>
<td>Area (ha) - conversion to organic farming (11.1)</td>
<td>19,700</td>
<td></td>
<td></td>
<td>19,700</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Area (ha) - maintenance of organic farming (11.2)</td>
<td>40,575</td>
<td></td>
<td></td>
<td>40,575</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>Total public expenditure (€)</td>
<td>123,648,602</td>
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<td></td>
<td>123,648,602</td>
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<td></td>
</tr>
<tr>
<td>M11</td>
<td>Area (ha) - mountain areas (13.1)</td>
<td>30,000</td>
<td></td>
<td></td>
<td>30,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Area (ha) - other areas with significant NC (13.2)</td>
<td>150,000</td>
<td></td>
<td></td>
<td>150,000</td>
<td></td>
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<tr>
<td></td>
<td>Area (ha) - areas with specific constraints (13.3)</td>
<td>7,000</td>
<td></td>
<td></td>
<td>7,000</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>Total public expenditure (€)</td>
<td>255,521,000</td>
<td></td>
<td></td>
<td>255,521,000</td>
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</tr>
<tr>
<td>M13</td>
<td>Nr of agricultural holdings participating in cooperation/local</td>
<td>67</td>
<td></td>
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<td>67</td>
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<tr>
<td>M17</td>
<td>Total public expenditure (€) (17.1)</td>
<td>57,740,651.47</td>
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</tr>
<tr>
<td></td>
<td>Number of LAGs selected</td>
<td>45</td>
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<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td>Population covered by LAG</td>
<td>1,427,724</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total public expenditure (€) - preparatory support (19.1)</td>
<td>4,052,444</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>M19</td>
<td>Total public expenditure (€) - support for implementation of operations under the CLLD strategy (19.2)</td>
<td>43,226,064</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>Total public expenditure (€) - preparation and implementation of cooperation activities of the local action group (19.3)</td>
<td>4,052,444</td>
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</table>
11.3. Secondary effects: identification of potential contributions of Rural Development measures/sub-measures programmed under a given focus area to other focus areas / targets

<table>
<thead>
<tr>
<th>FA from IP</th>
<th>Measure</th>
<th>P1</th>
<th>P2</th>
<th>P3</th>
<th>P4</th>
<th>P5</th>
<th>P6</th>
</tr>
</thead>
<tbody>
<tr>
<td>2A</td>
<td>M01 - Knowledge transfer and information actions (art 14)</td>
<td>X</td>
<td>X</td>
<td>P</td>
<td></td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>M02 - Advisory services, farm management and farm relief services (art 15)</td>
<td>X</td>
<td>P</td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>M04 - Investments in physical assets (art 17)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>P</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>M16 - Co-operation (art 35)</td>
<td>X</td>
<td>X</td>
<td>P</td>
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</tr>
<tr>
<td>2B</td>
<td>M01 - Knowledge transfer and information actions (art 14)</td>
<td>X</td>
<td>X</td>
<td>P</td>
<td></td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>M02 - Advisory services, farm management and farm relief services (art 15)</td>
<td>X</td>
<td>X</td>
<td>P</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>3A</td>
<td>M01 - Knowledge transfer and information actions (art 14)</td>
<td>X</td>
<td>X</td>
<td>P</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>M04 - Investments in physical assets (art 17)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>P</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>M09 - Setting-up of producer groups and organisations (art 27)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>P</td>
</tr>
<tr>
<td></td>
<td>M16 - Co-operation (art 35)</td>
<td>X</td>
<td>X</td>
<td>P</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4A</td>
<td>M01 - Knowledge transfer and information actions (art 14)</td>
<td>X</td>
<td>X</td>
<td>P</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>M02 - Advisory services, farm management and farm relief services (art 15)</td>
<td>X</td>
<td>P</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)</td>
<td>P</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>M10 - Agri-environment-climate (art 28)</td>
<td>P</td>
<td>X</td>
<td>X</td>
<td></td>
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<td></td>
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<tr>
<td></td>
<td>M11 - Organic farming (art 29)</td>
<td>P</td>
<td>X</td>
<td>X</td>
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<tr>
<td></td>
<td>M13 - Payments to areas facing natural or other specific constraints (art 31)</td>
<td>P</td>
<td>X</td>
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<td>4B</td>
<td>M10 - Agri-environment-climate (art 28)</td>
<td>X</td>
<td>P</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4C</td>
<td>M10 - Agri-environment-climate (art 28)</td>
<td>X</td>
<td>X</td>
<td>P</td>
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</tr>
<tr>
<td>5C</td>
<td>M04 - Investments in physical assets (art 17)</td>
<td>X</td>
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<td>P</td>
</tr>
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<td>5D</td>
<td>Investments in physical assets (art 17)</td>
<td>X</td>
<td></td>
<td>P</td>
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<td>X</td>
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<tr>
<td>6A</td>
<td>Investments in forest area development and improvement of the viability of forests (art 21-26)</td>
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<td></td>
<td>X</td>
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<td>P</td>
</tr>
</tbody>
</table>
11.4. Support table to show how environmental measure/schemes are programmed to achieve one (or more) environment/climate targets on the same land

11.4.1. Agricultural Land

11.4.1.1. M10 - Agri-environment-climate (art 28)

<table>
<thead>
<tr>
<th>Type of operation or group of type of operation</th>
<th>AECM typology</th>
<th>Total expenditure (EUR)</th>
<th>Total area (ha) by measure or type of operations</th>
<th>Biodiversity FA 4A</th>
<th>Water management FA 4B</th>
<th>Soil management FA 4C</th>
<th>Reducing GHG and ammonia emissions FA 5D</th>
<th>Carbon sequestration/conservation FA 5E</th>
</tr>
</thead>
<tbody>
<tr>
<td>O.01: Tilling and sowing on the terrain with slope for arable annual plants</td>
<td>Soil cover, ploughing techniques, low tillage, Conservation agriculture</td>
<td>5.556.903,56</td>
<td>800,00</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>O.02: Grassing of permanent crops</td>
<td>Soil cover, ploughing techniques, low tillage, Conservation agriculture</td>
<td>20.757.462,57</td>
<td>500,00</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>O.03: Terrace maintenance</td>
<td>Creation, upkeep of ecological features (e.g. field margins, buffer areas, flower strips, hedgerows, trees)</td>
<td>5.867.119,05</td>
<td>300,00</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
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<tr>
<td>O.04: Wide crop rotation</td>
<td>Crop diversification, crop rotation</td>
<td>9.667.933,18</td>
<td>900,00</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>O.10: Maintaining extensive olive groves</td>
<td>Soil cover, ploughing techniques, low tillage, Conservation agriculture</td>
<td>16.469.475,24</td>
<td>700,00</td>
<td>X</td>
<td></td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Type of operation or group of type of operation</td>
<td>AECM typology</td>
<td>Total expenditure (EUR)</td>
<td>Total area (ha) by measure or type of operations</td>
<td>Biodiversity FA 4A</td>
<td>Water management FA 4B</td>
<td>Soil management FA 4C</td>
<td>Reducing GHG and ammonia emissions FA 5D</td>
<td>Carbon sequestration/conservation FA 5E</td>
</tr>
<tr>
<td>-----------------------------------------------</td>
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</tr>
<tr>
<td>O.11: Preservation of landscape features - stone walls</td>
<td>Creation, upkeep of ecological features (e.g. field margins, buffer areas, flower strips, hedgerows, trees)</td>
<td>347.980.85</td>
<td>500.00</td>
<td>X</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>O.09: Maintaining extensive orchards</td>
<td>Soil cover, ploughing techniques, low tillage, Conservation agriculture</td>
<td>4.154.190.04</td>
<td>900.00</td>
<td>X</td>
<td>X</td>
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<tr>
<td>O.12: Preservation of landscape features - hedges</td>
<td>Creation, upkeep of ecological features (e.g. field margins, buffer areas, flower strips, hedgerows, trees)</td>
<td>809.257.80</td>
<td>100.00</td>
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<tr>
<td>O.14: Integrated farming</td>
<td>Soil cover, ploughing techniques, low tillage, Conservation agriculture</td>
<td>107.901.040.00</td>
<td>50.000.00</td>
<td>X</td>
<td>X</td>
<td>X</td>
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<td>X</td>
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<tr>
<td>O.05: Preservation of high nature value grasslands</td>
<td>Maintenance of HNV arable and grassland systems (e.g. mowing techniques, hand labour, leaving of winter stubbles in arable areas), introduction of extensive grazing practices, conversion of arable land to</td>
<td>3.776.536.40</td>
<td>500.00</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Type of operation or group of type of operation</td>
<td>AECM typology</td>
<td>Total expenditure (EUR)</td>
<td>Total area (ha) by measure or type of operations</td>
<td>Biodiversity FA 4A</td>
<td>Water management FA 4B</td>
<td>Soil management FA 4C</td>
<td>Reducing GHG and ammonia emissions FA 5D</td>
<td>Carbon sequestration/conservation FA 5E</td>
</tr>
<tr>
<td>------------------------------------------------</td>
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</tr>
<tr>
<td>grassland.</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td><strong>O_06: Pilot measure for the protection of corncrake (Crexcrex)</strong></td>
<td>Maintenance of HNV arable and grassland systems (e.g. mowing techniques, hand labour, leaving of winter stubbles in arable areas), introduction of extensive grazing practices, conversion of arable land to grassland.</td>
<td>658.196,34</td>
<td>300,00</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>O_07: Pilot measure for the protection of butterflies</strong></td>
<td>Maintenance of HNV arable and grassland systems (e.g. mowing techniques, hand labour, leaving of winter stubbles in arable areas), introduction of extensive grazing practices, conversion of arable land to grassland.</td>
<td>809.257,80</td>
<td>250,00</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>O_08: Establishment of field strips</strong></td>
<td>Creation, upkeep of ecological features (e.g. field margins, buffer areas, flower strips, hedgerows, trees)</td>
<td>4.046.289,00</td>
<td>1.100,00</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td><strong>O_13: Planting of winter cover crop (catch crop)</strong></td>
<td>Soil cover, ploughing techniques, low tillage,</td>
<td>25.896.249,60</td>
<td>1.200,00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Type of operation or group of type of operation</td>
<td>AECM typology</td>
<td>Total expenditure (EUR)</td>
<td>Total area (ha) by measure or type of operations</td>
<td>Biodiversity FA 4A</td>
<td>Water management FA 4B</td>
<td>Soil management FA 4C</td>
<td>Reducing GHG and ammonia emissions FA 5D</td>
<td>Carbon sequestration/conservation FA 5E</td>
</tr>
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<td>-----------------------------------------------</td>
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</tr>
<tr>
<td>Conservation agriculture</td>
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<td></td>
</tr>
</tbody>
</table>

**11.4.1.2. M11 - Organic farming (art 29)**

<table>
<thead>
<tr>
<th>Submeasure</th>
<th>Total expenditure (EUR)</th>
<th>Total area (ha) by measure or type of operations</th>
<th>Biodiversity FA 4A</th>
<th>Water management FA 4B</th>
<th>Soil management FA 4C</th>
<th>Reducing GHG and ammonia emissions FA 5D</th>
<th>Carbon sequestration/conservation FA 5E</th>
</tr>
</thead>
<tbody>
<tr>
<td>11.1 - payment to convert to organic farming practices and methods</td>
<td>61.824.301,00</td>
<td>19.700,00</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11.2 - payment to maintain organic farming practices and methods</td>
<td>61.824.301,00</td>
<td>40.575,00</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**11.4.1.3. M12 - Natura 2000 and Water Framework Directive payments (art 30)**

<table>
<thead>
<tr>
<th>Submeasure</th>
<th>Total expenditure (EUR)</th>
<th>Total area (ha) by measure or type of operations</th>
<th>Biodiversity FA 4A</th>
<th>Water management FA 4B</th>
<th>Soil management FA 4C</th>
<th>Reducing GHG and ammonia emissions FA 5D</th>
<th>Carbon sequestration/conservation FA 5E</th>
</tr>
</thead>
<tbody>
<tr>
<td>12.1 - compensation payment for Natura 2000 agricultural areas</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12.3 - compensation payment for agricultural areas included in river basin management plans</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>
### 11.4.1.4. M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)

<table>
<thead>
<tr>
<th>Submeasure</th>
<th>Total expenditure (EUR)</th>
<th>Total area (ha) by measure or type of operations</th>
<th>Biodiversity FA 4A</th>
<th>Water management FA 4B</th>
<th>Soil management FA 4C</th>
<th>Reducing GHG and ammonia emissions FA 5D</th>
<th>Carbon sequestration/conservation FA 5E</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.1 - support for afforestation/creation of woodland</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.2 - support for establishment and maintenance of agro-forestry systems</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### 11.4.2. Forest areas

#### 11.4.2.1. M15 - Forest environmental and climate services and forest conservation (art 34)

<table>
<thead>
<tr>
<th>Type of operation or group of type of operation</th>
<th>Total expenditure (EUR)</th>
<th>Total area (ha) by measure or type of operations</th>
<th>Biodiversity FA 4A</th>
<th>Water management FA 4B</th>
<th>Soil management FA 4C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biodiversity FA 4A</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water management FA 4B</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Soil management FA 4C</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### 11.4.2.2. M12 - Natura 2000 and Water Framework Directive payments (art 30)

<table>
<thead>
<tr>
<th>Submeasure</th>
<th>Total expenditure (EUR)</th>
<th>Total area (ha) by measure or type of operations</th>
<th>Biodiversity FA 4A</th>
<th>Water management FA 4B</th>
<th>Soil management FA 4C</th>
</tr>
</thead>
<tbody>
<tr>
<td>12.2 - compensation payment for Natura 2000 forest areas</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### 11.4.2.3. M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)

<table>
<thead>
<tr>
<th>Submeasure</th>
<th>Total expenditure (EUR)</th>
<th>Total area (ha) by measure or type of operations</th>
<th>Biodiversity FA 4A</th>
<th>Water management FA 4B</th>
<th>Soil management FA 4C</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.5 - support for investments improving the resilience and environmental value of forest ecosystems</td>
<td>18.588.235,00</td>
<td>6.000,00</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>
12. ADDITIONAL NATIONAL FINANCING

For measures and operations falling within the scope of Article 42 of the Treaty, a table on additional national financing per measure in accordance with Article 82 of Regulation (EU) No 1305/2013, including the amounts per measure and indication of compliance with the criteria under RD regulation.

<table>
<thead>
<tr>
<th>Measure</th>
<th>Additional National Financing during the period 2014-2020 (€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>M01 - Knowledge transfer and information actions (art 14)</td>
<td>0,00</td>
</tr>
<tr>
<td>M02 - Advisory services, farm management and farm relief services (art 15)</td>
<td>0,00</td>
</tr>
<tr>
<td>M03 - Quality schemes for agricultural products and foodstuffs (art 16)</td>
<td>0,00</td>
</tr>
<tr>
<td>M04 - Investments in physical assets (art 17)</td>
<td>0,00</td>
</tr>
<tr>
<td>M05 - Restoring agricultural production potential damaged by natural disasters and catastrophic events and introduction of appropriate prevention actions (art 18)</td>
<td>0,00</td>
</tr>
<tr>
<td>M06 - Farm and business development (art 19)</td>
<td>0,00</td>
</tr>
<tr>
<td>M07 - Basic services and village renewal in rural areas (art 20)</td>
<td>0,00</td>
</tr>
<tr>
<td>M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)</td>
<td>0,00</td>
</tr>
<tr>
<td>M09 - Setting-up of producer groups and organisations (art 27)</td>
<td>0,00</td>
</tr>
<tr>
<td>M10 - Agri-environment-climate (art 28)</td>
<td>0,00</td>
</tr>
<tr>
<td>M11 - Organic farming (art 29)</td>
<td>0,00</td>
</tr>
<tr>
<td>M13 - Payments to areas facing natural or other specific constraints (art 31)</td>
<td>0,00</td>
</tr>
<tr>
<td>M16 - Co-operation (art 35)</td>
<td>0,00</td>
</tr>
<tr>
<td>M17 - Risk management (art 36-39)</td>
<td>0,00</td>
</tr>
<tr>
<td>M18 - Financing of complementary national direct payments for Croatia (art 40)</td>
<td>0,00</td>
</tr>
<tr>
<td>M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)</td>
<td>0,00</td>
</tr>
<tr>
<td>M20 - Technical assistance Member States (art 51-54)</td>
<td>0,00</td>
</tr>
<tr>
<td>Total</td>
<td>0,00</td>
</tr>
</tbody>
</table>

12.1. M01 - Knowledge transfer and information actions (art 14)

Indication of compliance of the operations with the criteria under Regulation (EU) No 1305/2013

Not applicable
<table>
<thead>
<tr>
<th>12.2. M02 - Advisory services, farm management and farm relief services (art 15)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indication of compliance of the operations with the criteria under Regulation (EU) No 1305/2013</td>
</tr>
<tr>
<td>Not applicable</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>12.3. M03 - Quality schemes for agricultural products and foodstuffs (art 16)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indication of compliance of the operations with the criteria under Regulation (EU) No 1305/2013</td>
</tr>
<tr>
<td>Not applicable</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>12.4. M04 - Investments in physical assets (art 17)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indication of compliance of the operations with the criteria under Regulation (EU) No 1305/2013</td>
</tr>
<tr>
<td>Not applicable</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>12.5. M05 - Restoring agricultural production potential damaged by natural disasters and catastrophic events and introduction of appropriate prevention actions (art 18)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indication of compliance of the operations with the criteria under Regulation (EU) No 1305/2013</td>
</tr>
<tr>
<td>Not applicable</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>12.6. M06 - Farm and business development (art 19)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indication of compliance of the operations with the criteria under Regulation (EU) No 1305/2013</td>
</tr>
<tr>
<td>Not applicable</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>12.7. M07 - Basic services and village renewal in rural areas (art 20)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indication of compliance of the operations with the criteria under Regulation (EU) No 1305/2013</td>
</tr>
<tr>
<td>Not applicable</td>
</tr>
</tbody>
</table>
12.8. M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)

Indication of compliance of the operations with the criteria under Regulation (EU) No 1305/2013

Not applicable

12.9. M09 - Setting-up of producer groups and organisations (art 27)

Indication of compliance of the operations with the criteria under Regulation (EU) No 1305/2013

Not applicable

12.10. M10 - Agri-environment-climate (art 28)

Indication of compliance of the operations with the criteria under Regulation (EU) No 1305/2013

Not applicable

12.11. M11 - Organic farming (art 29)

Indication of compliance of the operations with the criteria under Regulation (EU) No 1305/2013

Not applicable

12.12. M13 - Payments to areas facing natural or other specific constraints (art 31)

Indication of compliance of the operations with the criteria under Regulation (EU) No 1305/2013

Not applicable

12.13. M16 - Co-operation (art 35)

Indication of compliance of the operations with the criteria under Regulation (EU) No 1305/2013

Not applicable

Indication of compliance of the operations with the criteria under Regulation (EU) No 1305/2013

Not applicable

12.15. M18 - Financing of complementary national direct payments for Croatia (art 40)

Indication of compliance of the operations with the criteria under Regulation (EU) No 1305/2013

Not applicable


Indication of compliance of the operations with the criteria under Regulation (EU) No 1305/2013

Not applicable

12.17. M20 - Technical assistance Member States (art 51-54)

Indication of compliance of the operations with the criteria under Regulation (EU) No 1305/2013

Not applicable
13. **ELEMENTS NEEDED FOR STATE AID ASSESSMENT**

For the measures and operations which fall outside the scope of Article 42 of the Treaty the table of aid schemes falling under Article 88(1) to be used for the implementation of the programmes, including the title of the aid scheme, as well as the EAFRD contribution, national cofinancing and additional national financing. Compatibility with state aid must be ensured over the entire life cycle of the programme.

<table>
<thead>
<tr>
<th>Measure</th>
<th>Title of the aid scheme</th>
<th>EAFRD (€)</th>
<th>National Cofinancing (€)</th>
<th>Additional National Funding (€)</th>
<th>Total (€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>M01 - Knowledge transfer and information actions (art 14)</td>
<td>Aid for knowledge transfer and information actions</td>
<td>9.000.000,00</td>
<td>1.000.000,00</td>
<td></td>
<td>10.000.000,00</td>
</tr>
<tr>
<td>M02 - Advisory services, farm management and farm relief services (art 15)</td>
<td>Aid for advisory service</td>
<td>12.000.000,00</td>
<td>2.011.764,71</td>
<td></td>
<td>14.011.764,71</td>
</tr>
<tr>
<td>M03 - Quality schemes for agricultural products and foodstuffs (art 16)</td>
<td>Aid for new participation of active farmers in quality schemes and for information and promotion activities covered by quality scheme</td>
<td>6.000.000,00</td>
<td>1.058.823,53</td>
<td></td>
<td>7.058.823,53</td>
</tr>
<tr>
<td>M04 - Investments in physical assets (art 17)</td>
<td>Aid for investment</td>
<td>564.131.400,00</td>
<td>96.140.534,01</td>
<td></td>
<td>660.271.934,01</td>
</tr>
<tr>
<td>M05 - Restoring agricultural production potential damaged by natural disasters and catastrophic events and introduction of appropriate prevention actions (art 18)</td>
<td>Aids to compensate for the damage to agricultural production or the means of agricultural production and to prevent damage</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>M06 - Farm and business development (art 19)</td>
<td></td>
<td>226.000.000,00</td>
<td>36.928.104,58</td>
<td></td>
<td>262.928.104,58</td>
</tr>
<tr>
<td>M07 - Basic services and village renewal in rural areas (art 20)</td>
<td>Aid for basic services and village renewal in rural areas</td>
<td>226.000.000,00</td>
<td>39.882.352,94</td>
<td></td>
<td>265.882.352,94</td>
</tr>
<tr>
<td>M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)</td>
<td>Aid for investments in forest area development and improvement of the viability of forests</td>
<td>79.000.000,00</td>
<td>13.941.176,46</td>
<td></td>
<td>92.941.176,46</td>
</tr>
<tr>
<td>M09 - Setting-up of producer groups and organisations (art 27)</td>
<td></td>
<td>9.000.000,00</td>
<td>888.888,89</td>
<td></td>
<td>9.888.888,89</td>
</tr>
<tr>
<td>M10 - Agri-environment-climate (art 28)</td>
<td></td>
<td>188.826.820,00</td>
<td>33.322.380,00</td>
<td></td>
<td>222.149.200,00</td>
</tr>
<tr>
<td>M11 - Organic farming (art 29)</td>
<td>Aid for organic farming</td>
<td>105.101.311,70</td>
<td>18.547.290,30</td>
<td>123.648.602,00</td>
<td></td>
</tr>
<tr>
<td>M13 - Payments to areas facing natural or other specific constraints (art 31)</td>
<td></td>
<td>217.192.850,00</td>
<td>38.328.150,00</td>
<td>255.521.000,00</td>
<td></td>
</tr>
<tr>
<td>M16 - Co-operation (art 35)</td>
<td>Aid for co-operation in the agricultural sector</td>
<td>4.500.000,00</td>
<td>500.000,00</td>
<td>5.000.000,00</td>
<td></td>
</tr>
<tr>
<td>M17 - Risk management (art 36-39)</td>
<td>Aid for the payment of insurance premuims</td>
<td>49.079.553,75</td>
<td>8.861.533,75</td>
<td>57.941.087,50</td>
<td></td>
</tr>
<tr>
<td>M18 - Financing of complementary national direct payments for Croatia (art 40)</td>
<td>Aid to complementary national direct payments</td>
<td>111.900.000,00</td>
<td>27.975.000,00</td>
<td>139.875.000,00</td>
<td></td>
</tr>
<tr>
<td>M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
13.1. M01 - Knowledge transfer and information actions (art 14)

Title of the aid scheme: Aid for knowledge transfer and information actions

EAFRD (€): 9.000.000,00
National Cofinancing (€): 1.000.000,00
Additional National Funding (€):
Total (€): 10.000.000,00

13.1.1.1. Indication*:

Aid for knowledge transfer and information actions is compatible with the internal market under Article 107(3)(c) of the Treaty if it complies with the common assessment principles in the specific context of the CAP, with the general conditions for aid for technical support and with the following conditions:

- The aid covers vocational training and skills acquisitions, including training courses, workshops and coaching, demonstration activities and information actions.
- The aid may also cover short-term farm management exchange and farm visits which are not envisaged by this RDP.

13.2. M02 - Advisory services, farm management and farm relief services (art 15)

Title of the aid scheme: Aid for advisory service

EAFRD (€): 12.000.000,00
National Cofinancing (€): 2.011.764,71
Additional National Funding (€):
Total (€): 14.011.764,71

13.2.1.1. Indication*:

Aid for advisory service is compatible with the internal market under Article 107(3)(c) of the Treaty if it complies with the common assessment principles in the specific context of the CAP, with the general conditions for aid for technical support and with the following conditions:

- The aid should be designed to help undertakings active in the agricultural sector and young farmers benefit from the use of advisory services for the improvement of the economic and environmental performance as well as the climate friendliness and resilience of their undertaking and/or investment.
- The advice must be linked to at least one Union priority for rural development and must cover at least one the elements set in Article 15(4) of Regulation (EU) No 1305/2013.
• Advice may cover other issues and in particular the information related to climate change mitigation and adaptation, biodiversity and protection of waters as laid down in Annex I to Regulation 1307/2013 or issues linked to the economic and environmental performance of the agricultural holding, including competitiveness aspects. This may include advice for the development of short supply chains, organic farming and health aspects of animal husbandry.

• The aid must not involve direct payments to the beneficiaries. The aid must be paid to the advisory services provider.

• The bodies selected to provide the advisory service must have the appropriate resources in the form of regularly trained and qualified staff and advisory experience and reliability with respect to the fields they advise in.

• When providing advice, the advisory service providers must respect the non-disclosure obligations referred to in Article 13(2) of Regulation (EU) No 1306/2013.

• Where duly justified and appropriate, the advice may be partly provided in group, while taking into account the situation of the individual user of advisory services.

13.3. M03 - Quality schemes for agricultural products and foodstuffs (art 16)

Title of the aid scheme: Aid for new participation of active farmers in quality schemes and for information and promotion activities covered by quality scheme

EAFRD (€): 6.000.000,00
National Cofinancing (€): 1.058.823,53
Additional National Funding (€):
Total (€): 7.058.823,53

13.3.1.1. Indication*:

The Aid for new participation of active farmers in quality schemes is compatible with the internal market under Article 107(3)(c) of the Treaty if it complies with the common assessment principles in the specific context of the CAP, with the general conditions for aid for technical support and with the following conditions:

• aid concerns the first participation of active farmers in one of the categories of quality schemes prescribed by Article 16 of Regulation (EU) No 1305/2013.

• aid may be granted for information and promotion activities concerning cotton and foodstuffs which are covered by a quality scheme for which aid is granted under Section 3.8. of Part II of these Guidelines.

• aid may be granted to groups of producers implementing the information and promotion activities.

• aid must cover the costs for actions having the specific characteristics only (be designed to induce consumers to buy the foodstuffs covered by a quality scheme and draw attention to specific features or advantages of the foodstuff, notably to the quality, specific production method, high animal welfare standards and respect for the environment linked to the quality scheme concerned).
• actions must not incite consumers to buy a foodstuff due to their particular origin, except for those covered by the quality schemes introduced by Title II of Regulation (EU) No 1151/2012.

• The origin of the foodstuff or cotton may, nevertheless, be indicated, provided that the mention of the origin is subordinate to the main message.

• Information and promotion activities related to particular undertakings or of commercial brands are not eligible for aid.

• Only information and promotion activities implemented in the internal market are eligible.

• The aid intensity cannot be higher than 70 % of the eligible costs.

13.4. M04 - Investments in physical assets (art 17)

Title of the aid scheme: Aid for investment

EAFRD (€): 564.131.400,00

National Cofinancing (€): 96.140.534,01

Additional National Funding (€):
Total (€): 660.271.934,01

13.4.1.1. Indication*:

The aid to investment in agricultural holdings is linked to the primary agricultural production, to investment in connection with the processing of agricultural products and the marketing of agricultural products.

All aid for investment must comply with the condition:

Where a common market organisation, including direct support schemes, financed by the European Agricultural Guarantee Fund (EAGF) places restrictions on the production or limitations on Union support at the level of individual undertakings, holdings or processing plants, no investment which would increase production beyond those restrictions or limitations may receive State aid support.

Aid for investment in tangible assets and intangible assets on agricultural holdings linked to primary agricultural production applies to aid for investments in tangible assets and intangible assets on agricultural holdings linked to the primary agricultural production. The investment is carried out by one or more beneficiaries or concerns a tangible asset or intangible asset used by one or more beneficiaries.

Where more than one agricultural holding carry out the investment for the production of energy from renewable sources with the aim to serve their own energy needs or for the production of biofuels on holdings, the annual average consumption is accumulated to the amount equivalent to the average annual consumption of all beneficiaries.

Investments in installations, the primary purpose of which is electricity production from biomass, are not be eligible for aid unless a minimum percentage of heat energy is utilised, to be determined by the
Member States

Thresholds for the maximum proportions of cereals and other starch rich crops, sugar and oil crops used for bioenergy production, including biofuels, for different types of installations must be established. Aid to bioenergy projects must be limited to bioenergy meeting the applicable sustainability criteria laid down in Union legislation including Article 17(2) to (6) of Directive 2009/28/EC of the European Parliament and of the Council.

If the production capacity of the installation exceeds the average annual consumption of the beneficiary or beneficiaries as referred to in points (137) and (138) of State aid in rural areas, investment must comply with the conditions laid down in the Guidelines on State aid for environmental protection and energy 2014-2020 unless such aid is exempt from notification obligation.

Aid for meeting standards is described in each operation in Sub-measure 4.1., chapter 8.2.

The aid intensity rates that may be increased by 20 percentage points are described in each operation in Sub-measure 4.1.

Conditions regarding irrigation are described in Sub-measure 4.3., operation 4.3.1.

Standards for plants for the production of energy from renewable energy sources are described in Sub-measure 4.1., operation 4.1.3. and in Sub-measure 4.2., operation 4.2.2.

Conditions regarding land consolidation are described in Sub-measure 4.3., operation 4.3.2.

Conditions regarding non-productive investments are described in Sub-measure 4.4., operation 4.4.1.

13.5. M05 - Restoring agricultural production potential damaged by natural disasters and catastrophic events and introduction of appropriate prevention actions (art 18)

Title of the aid scheme: Aids to compensate for the damage to agricultural production or the means of agricultural production and to prevent damage

EAFRD (€):
National Cofinancing (€):
Additional National Funding (€):
Total (€):

13.5.1.1. Indication*:

Aid to make good the damage caused by natural disasters or exceptional occurrences will consider aid to make good the damage caused by natural disasters or exceptional occurrences compatible with the internal market under Article 107(2) (b) of the Treaty if it complies with the following conditions:

- Aid applies to the agricultural sector.
• The notions of ‘natural disaster’ and ‘exceptional occurrence’ referred to in Article 107(2)(b) of the Treaty must be interpreted restrictively. This has been confirmed by the Court of Justice of the European Union.

• Aid to make good the damage caused by natural disasters or exceptional occurrences is subject to the following conditions:

(a) the competent authority has formally recognized the character of the event as a natural disaster or as exceptional occurrence; and

(b) there is a direct causal link between the natural disaster or the exceptional occurrence and the damage suffered by the undertaking.

• Aid must be paid directly to the undertaking concerned or to a producer group or organization of which that undertaking is a member. Where the aid is paid to a producer group and organization, the amount of aid must not exceed the amount of aid to which that undertaking is eligible.

• The aid scheme must be established within three years from the date of the occurrence of the event, and the aid must be paid out within four years from that date.

Aid to compensate for damage caused by adverse climatic event which can be assimilated to a natural disaster will consider aid to compensate for the damage caused by an adverse climatic event which can be assimilated to a natural disaster compatible with the internal market under Article 107(3)(c) of the Treaty if it complies with the common assessment principles and with the following conditions:

• Aid applies only to undertakings active in the primary agricultural production.

• Aid granted under this Section is subject to the following conditions:

  a. the competent authority has formally recognized the character of the event as an adverse climatic event which can be assimilated to a natural disaster; and

  b. there is a direct causal link between the adverse climatic event which can be assimilated to a natural disaster and the damage suffered by the undertaking.

• The aid must be paid directly to the undertaking concerned or to a producer group or organization of which that undertaking is a member. Where the aid is paid to a producer group and organization, the amount of aid must not exceed the amount of aid to which that undertaking is eligible.

Aid schemes must be established within three years from the date of the occurrence of the adverse climatic event which can be assimilated to a natural disaster. The aid must be paid out within four years from that date.

13.6. M06 - Farm and business development (art 19)

Title of the aid scheme:

EAFRD (€): 226.000.000,00
National Cofinancing (€): 36.928.104,58
Additional National Funding (€):
Total (€): 262.928.104,58

13.6.1.1. Indication*:

Sub-measure 6.4 - support under de-minimis rule

13.7. M07 - Basic services and village renewal in rural areas (art 20)

Title of the aid scheme: Aid for basic services and village renewal in rural areas
EAFRD (€): 226.000.000,00
National Cofinancing (€): 39.882.352,94
Additional National Funding (€):
Total (€): 265.882.352,94

13.7.1.1. Indication*:

The aid for basic services and village renewal in rural areas is compatible with the internal market within the meaning of Article 107(3)(c) and Article 107(3)(d) of the Treaty if it complies with the common assessment principles of State Aid in rural areas, with the common provisions for aids in rural areas which are co-financed by the EAFRD and with the conditions set by Article 20 of Regulation (EU) No 1305/2013.

13.8. M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)

Title of the aid scheme: Aid for investments in forest area development and improvement of the viability of forests
EAFRD (€): 79.000.000,00
National Cofinancing (€): 13.941.176,46
Additional National Funding (€):
Total (€): 92.941.176,46

13.8.1.1. Indication*:

ABER
Article 35 – Aid for Investments improving the resilience and environmental value of forest ecosystems

ABER

Article 41 Aid for Investment in forestry technologies and in processing, mobilising and marketing forestry products

13.9. M09 - Setting-up of producer groups and organisations (art 27)

Title of the aid scheme:
EAFRD (€): 9.000.000,00
National Cofinancing (€): 888.888,89
Additional National Funding (€):
Total (€): 9.888.888,89

13.9.1.1. Indication*:

The Start-up aid for producer groups and organisations in the agricultural sector is compatible with the internal market under Article 107(3)(c) of the Treaty if it complies with the common assessment principles of State Aid in rural areas with the following conditions:

- Start-up aid for producer groups and organisations applies to the whole agricultural sector.
- Only producer groups or organisations that have been officially recognised by the competent authority concerned on the basis of a submission of a business plan are eligible for aid.
- The start-up aid must be granted subject to the obligation that the objectives of the business plan have been reached within a period of five years from the date of the official recognition of the producer group or organisation.
- The agreements, decisions and concerted practices concluded in the framework of the producer group or organisation must comply with the competition rules as they apply by virtue of Articles 206 to 210 of Regulation (EU) No 1308/2013.
- As an alternative to providing start-up aid to producer groups or organisations, aid up to the same overall amount may be granted directly to producers to offset their contributions to the costs of running the groups or organisations during a period of the first five years following the formation of the group or organisation.
- Start-up aid for producer groups may continue to grant even after they have been recognised as producer organisations under the conditions of Regulation (EU) No 1308/2013.
- Aid must be limited to producer groups and producer organisations falling with the definition of SMEs.

The Start-up aid for producer groups and organisations will be subject to a condition requiring them to adjust to take account of any changes in the regulations governing the common organisation of the
markets in agricultural products.

13.10. M10 - Agri-environment-climate (art 28)

Title of the aid scheme:
EAFRD (€): 188.826.820,00
National Cofinancing (€): 33.322.380,00
Additional National Funding (€):
Total (€): 222.149.200,00

13.10.1.1. Indication*:
Not applicable

13.11. M11 - Organic farming (art 29)

Title of the aid scheme: Aid for organic farming
EAFRD (€): 105.101.311,70
National Cofinancing (€): 18.547.290,30
Additional National Funding (€):
Total (€): 123.648.602,00

13.11.1.1. Indication*:
Not applicable

13.12. M13 - Payments to areas facing natural or other specific constraints (art 31)

Title of the aid scheme:
EAFRD (€): 217.192.850,00
National Cofinancing (€): 38.328.150,00
Additional National Funding (€):
Total (€): 255.521.000,00
13.12.1.1. Indication*: 

Not applicable

13.13. M16 - Co-operation (art 35)

Title of the aid scheme: Aid for co-operation in the agricultural sector
EAFRD (€): 4.500.000,00
National Cofinancing (€): 500.000,00
Additional National Funding (€): 
Total (€): 5.000.000,00

13.13.1.1. Indication*: 

The aid for the co-cooperation in the agricultural sector is compatible with the internal market under Article 107(3)(c) of the Treaty if it complies with the common assessment principles of State aid in the agricultural and forestry sectors and in rural areas 2014 to 2020 with the following conditions:

• Co-operation aid applies to the whole agricultural sector
• Co-operation aid is granted in order to promote forms of cooperation involving at least two entities irrespective of whether they are active in the agricultural sector, but subject to the cooperation benefitting only the agricultural sector.
• Co-operation aid applies to the creation of clusters and networks.
• Co-operation aid applies to the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability as referred to in Article 56 of Regulation (EU) No 1305/2013.
• Co-operation aid for the creation of clusters and networks must be granted only to newly formed clusters and networks and those commencing an activity that is new to them.
• Co-operation aid for the activities referred to pilot projects and the development of new products may be granted also to individual actors. Where aid is granted to individual actors, the results of the supported project or activity must be disseminated.
• Co-operation aid for the establishment and development of short supply chains covers only supply chains involving no more than one intermediary between farmer and consumer.
• Co-operation complies with the relevant provisions of competition law, in particular with Articles 101 and 102 of the Treaty, as they apply by virtue of Articles 206 to 210 of Regulation (EU) No 1308/2013.

Title of the aid scheme: Aid for the payment of insurance premiums
EAFRD (€): 49.079.553,75
National Cofinancing (€): 8.861.533,75
Additional National Funding (€):
Total (€): 57.941.087,50

13.14.1.1. Indication*:

The aid for the payment of insurance premiums compatible with the internal market under Article 107(3)(c) of the Treaty if it complies with the common assessment principles of State aid in the agricultural and forestry sectors and in rural areas 2014 to 2020 with the following conditions:

- The aid applies to undertakings active in the primary agricultural production only.
- The aid do not constitute a barrier to the operation of the internal market for insurance services. In particular, the aid must not be limited to insurance provided by a single insurance company or group of companies, or be made subject to the condition that the insurance contract be taken out with a company established in the Member State concerned.

13.15. M18 - Financing of complementary national direct payments for Croatia (art 40)

Title of the aid scheme: Aid to complementary national direct payments
EAFRD (€): 111.900.000,00
National Cofinancing (€): 27.975.000,00
Additional National Funding (€):
Total (€): 139.875.000,00

13.15.1.1. Indication*:

State aid rules are not applicable since direct payments are excluded from State aid. Direct payments are regulated by Regulation (EU) No 1307/2013 of the European Parliament and of the Council of 17 December 2013 establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy and repealing Council Regulation (EC) No 637/2008 and Council Regulation (EC) No 73/2009 (8) which lays down rules on direct payments granted directly to farmers in the form of a basic income support under certain support schemes.

Title of the aid scheme:
EAFRD (€):
National Cofinancing (€):
Additional National Funding (€):
Total (€):

13.16.1.1. Indication*:
14. INFORMATION ON COMPLEMENTARITY

14.1. Description of means for the complementarity and coherence with:

14.1.1. Other Union instruments and, in particular with ESI Funds and Pillar 1, including greening, and other instruments of the common agricultural policy

The complementarity with other Union instruments, primarily ESI Funds, has been determined by the Partnership Agreement.

Under TOs 1 and 3, complementarity is ensured between ERDF, EAFRD and EMFF funds. EAFRD will support subsidies to and addressing the production of products covered by Annex 1 of the EU Treaty and the diversification of economic activities from the agricultural sector. Under TO 4, the EAFRD will focus on RES measures for agricultural producers and the food processing industry in addition to the generation of biomass from forestry. Besides the demarcation of activities, complementarity will be achieved by usage of the biomass generated from forestry for the production of RES under ERDF funds. In terms of environmental services, water services (water supply, sewerage and WW treatment) in agglomerations below 2,000 inhabitants will be financed through EAFRD while those above by ERDF. Regarding nature protection, the EAFRD will fund only measures on the agricultural land nature protection related to the agriculture land including compensation payments to farmers, while the Natura 2000 management framework and biodiversity measures on non-agricultural land will be funded under ERDF. In terms of tourist infrastructure in protected areas, EAFRD funds will be eligible for protected areas managed by local authorities; tourism-related infrastructure in protected areas managed by State and county authorities will be funded under ERDF. As regards the usage of cultural heritage for tourism measures, demarcation will be based on the type of beneficiaries, the case in of EAFRD restricted to family agricultural holdings.

In terms of water management under TO 5, EAFRD focuses on irrigation measures. For TOs 8, 9 and 10 complementarity will be assured by providing EAFRD support for small-scale public service infrastructure in rural areas (up to 1,000,000 EUR investment), the rehabilitation and conservation of existing cultural heritage and other buildings adapting them for community needs, which can be used for the provision of public services, financed from the ESF. EAFRD will also support local action groups, which will contribute to these TOs through community-based initiatives.

EAFRD-EMFF demarcation is ensured by a clear distinction in terms of the scope of activities and a close coordination between the respective Managing Authorities, both located in the Ministry of Agriculture. This is further detailed in Section 15.4.

Complementarity and demarcation between EAFRD and Territorial Cooperation Programmes (internal and external borders of the Union) shall be ensured through coordination with the MRDEUF, the Croatian National Authority for Territorial Cooperation Programmes. Currently the MoA participates in the National Committee for Coordination of Croatian Participation in Transnational and Interregional Programmes as well as Macro regional Strategies of the EU, which is intended to be progressively merged with the National Coordinating Committee described below. This will provide the basis for the close coordination and consultation with the MA of the RDP on applicable Territorial Cooperation project proposals and activities involving Croatian partners and allow for cross-checks as applicable on both activities and declared expenditure, including on beneficiaries’ declarations. In the case of cross-border programmes, depending on the TOs and IPs selected, the MA of the RDP may also participate as a member of the cross-border cooperation programme Monitoring Committee responsible for selecting
operations.

Specific attention shall be paid to LAGs applying as beneficiaries under Territorial Cooperation Programmes.

Furthermore, information and data on Territorial Cooperation beneficiaries shall be available on the relevant programme MIS. Cross checks can be made from MIS data available to the National Authority and through declarations of expenditure to the centralised First Level Control Body for Croatian Territorial Cooperation beneficiaries.

General coordination of ESI Funds is the responsibility of the MRDEUF as Coordinating Body in accordance with Article 123 (8) of the CPR. A National Coordinating Committee (NCC) shall be set up for the overall coordination and monitoring of the implementation of ESI funds and other Union and relevant national funding instruments to ensure demarcation and complementarity. A representative of the MRDEUF shall participate in the EAFRD Monitoring Committee to ensure smooth coordination. State officials from the EAFRD MA shall also participate in the NCC to avoid overlapping and ensure streamlining of coordination and monitoring activities.

An additional measure to ensure demarcation and complementarity will be the exchange of information and data within and between the computerised Management Information Systems (MIS) for the management of Union funds. Interoperability is envisaged between the MIS for ERDF, ESF and CF 2014-2020 currently being upgraded and the systems used for recording the data on EAFRD and EMFF funded projects.

The programming of interventions under the CAP’s 1st and 2nd pillars is under the Ministry of Agriculture’s responsibility. To achieve the common goals of CAP, 15% of financial resources from EAFRD have been reallocated for the period 2015-2020 to the 1st pillar.

The IACS measures under RDP are closely related to direct payments under 1st pillar, and some RDP measures are complementary to Common market organisation measures. Support provided for the activities covered by the schemes for: school fruit, school milk, support programmes in the wine sector and help in the beekeeping sector are not eligible for funding under the RDP measures; however, the possibility of financing beneficiaries from these sectors for the implementation of activities envisaged by the RDP that are not covered by these support schemes is not excluded. In these cases, it has to be ensured that double funding is excluded, as well as to avoid the risk of overcompensation.

According to the Accession Treaty, Croatia has the additional possibility to complement national direct payments in period 2014-2016 and it is financially programmed under RDP. The total amount for CNDP is EUR 111.9 million for the period 2014-2016. Support may be granted to farmers eligible for complementary national direct payments under Article 19 of Regulation (EU) No 1307/2013.

Support schemes from the first pillar in Croatia are:

The School fruit scheme applied since 2013 supports the introduction of fruit/vegetables in meals in educational institutions to foster healthy nutritional habits in children. Funds of approx. EUR 1.1 mil annually (EU co-financing 75% of the value of delivered fruit/vegetables) are available. Beneficiaries are suppliers of fruit/vegetables to educational institutions.

The School milk scheme applied since 2012 supports the introduction of dairy products in meals in
educational institutions to foster healthy nutritional habits in children. The EU financial contribution amounts to EUR 18.15/100 kg of delivered milk or dairy products to educational institutions where support is given for a maximum of 0.25 lit/milk equivalent/pupil daily. Beneficiaries are suppliers of milk and dairy products.

The support scheme for the wine sector envisages special measures for the sector. The financial envelope amounts to EUR 11.8 mil annually for 2014-2016 and EUR 10.8 mil annually for 2017-2018. The national support programme for the wine sector 2014–2018 has identified three measures (promotion in third-countries’ markets; the restructuring and conversion of vineyards, and investments in wineries and marketing of wine) which have been applied since 2014.

The support scheme in the apiculture sector envisages special support measures for the sector, with a financial envelope of EUR 1.06 mil annually as EU co-financing. The National programme for apiculture 2014-2016 has identified six measures (prevention of varroasis, honey quality control, renewal of bee families, rationalisation of transportation of beehives to pastures, technical assistance to beekeepers and applied research in beekeeping) which have been applied since 2014. Beneficiaries are beekeepers, growers and research institutions depending on the measure.

The Direct support programme includes entitlements to regional payments including payments from the national reserve and payments from the special national reserve for demined land, production related payments in forms of premiums for dairy cows, sheep and goats and additional premiums for sheep and goat, as well as specific support. Beneficiaries of the support are farmers. Resources for financing direct support are financed partially from the Community budget and partially from the RC state budget ("phasing-in").

There is clear demarcation between the scope of the activities foreseen in these support schemes and support under the RDP. Activities foreseen in these support schemes are not eligible for financing within RDP measures. This condition shall be ensured by cross-checks carried out by the Paying Agency for Agriculture, Fishery and Rural Development (PAAFRD), which is the single implementing body for both CAP instruments (EAGF and EAFRD).

The possibility to finance beneficiaries from the above mentioned sectors is not excluded for the implementation of activities not included in the stated support programmes and which are eligible under RDP. However, in this case the PAAFRD shall carry out specific cross-checks.

Payments in extremely sensitive sectors, in the transitional period, inclusive of 2015, cover annual payments for sugar beet (ha), for the processing of olives into virgin and extra virgin olive oil (l), tobacco (kg), dairy cows (head) and sows (head). Beneficiaries of the support are farmers. The resources for the funding of payments in extremely sensitive sectors are ensured exclusively by the RC state budget, and as such they are not considered a Community instrument and there is no risk of overlap with the RDP.

Clear demarcations shall be set up in the case of areas where support was offered under national support systems. In the case of the forestry sector, activities which fall under the scope of types of operations 4.3.3. and 8.5.1 are currently supported by the means of the Fee for Forest Ecosystem Services. From the date of the first call for proposals until the end of the RDP implementation period, activities falling within the scope of these types of operation will be exempt from the Fee for Forest Ecosystem Services and will be supported by the RDP, ensuring the principle of demarcation. From the date of the first public call for proposals until the end of the RDP implementation period, means from the Fee for Forest Ecosystem Services will be used as the national co-financing share of the Republic of Croatia amounting to 15% of
the total support for this operation.

14.1.2. Where a Member State has opted to submit a national programme and a set of regional programmes as referred to in Article 6(2) of Regulation (EU) No 1305/2013, information on complementarity between them

Not applicable.

14.2. Where relevant, information on the complementarity with other Union instruments, including LIFE

As described above, a National Coordinating Committee (NCC) shall be set up for the overall coordination and monitoring of the implementation of ESI funds and other Union and relevant national funding instruments to ensure demarcation and complementarity. The Committee will include the relevant National Contact Points from other Union instruments, including LIFE. Furthermore, a representative of the Ministry of Environmental and Nature Protection - the competent body responsible for LIFE in Croatia - shall participate in the RDP Monitoring Committee.
15. PROGRAMME IMPLEMENTING ARRANGEMENTS

15.1. The designation by the Member State of all authorities referred to in Regulation (EU) No 1305/2013 Article 65(2) and a summary description of the management and control structure of the programme requested under Regulation (EU) No 1303/2013 Article 55(3)(i) and arrangements under Regulation (EU) No 1303/2013 Article 74(3)

15.1.1. Authorities

<table>
<thead>
<tr>
<th>Authority</th>
<th>Name of the authority</th>
<th>Head of the authority</th>
<th>Address</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managing authority</td>
<td>Ministry of Agriculture, Directorate for Management of EU Funds for Rural Development, EU and International Co-operation</td>
<td>Davorka Hajduković, Assistant minister</td>
<td>Ulica grada Vukovara 78, HR-10000 Zagreb</td>
<td><a href="mailto:davorka.hajdukovic@mps.hr">davorka.hajdukovic@mps.hr</a></td>
</tr>
<tr>
<td>Certification body</td>
<td>Agency for the Audit of the European Union Programmes (ARPA)</td>
<td>Neven Šprlje, Director</td>
<td>Alexandra von Humboldta 4, V kat, HR-10000 Zagreb</td>
<td><a href="mailto:neven.sprrle@arpa.hr">neven.sprrle@arpa.hr</a></td>
</tr>
<tr>
<td>Accredited paying agency</td>
<td>Paying Agency for Agriculture, Fisheries and Rural Development (PAAFRD)</td>
<td>Ante Pezo, Director</td>
<td>Ulica grada Vukovara 269/d, HR-10000 Zagreb</td>
<td><a href="mailto:ante.pezo@apprrr.hr">ante.pezo@apprrr.hr</a></td>
</tr>
</tbody>
</table>

15.1.2. Summary description of the management and control structure of the programme and arrangements for the independent examination of complaints

15.1.2.1. Management and control structure

The Managing Authority is responsible for managing and implementing the programme in an efficient, effective and correct way to:

- ensure that operations are selected for funding in accordance with the criteria applicable to the rural development programme;
- ensure there is an appropriate secure electronic system to record, maintain, manage and report statistical information on the Programme and its implementation for the purposes of monitoring and evaluation of the Programme and in particular, information required to monitor progress towards the defined objectives and priorities;
- provide the Commission with relevant indicator data on operations selected for funding, including information on output and financial indicators by 31 January and 31 October in each year of the programme;
- ensure that beneficiaries and other bodies involved in implementation of activities:
- are informed of their obligations resulting from the aid granted, and maintain either a separate accounting system or an adequate accounting code for all transactions relating to the operation;
- are aware of the requirements concerning the provision of data to the Managing Authority and the
recording of outputs and results.

- ensure that the ex ante evaluation referred to in Article 55 of Regulation (EU) No 1303/2013 conforms to the evaluation and monitoring system and accepting and submitting it to the Commission;

- ensure the evaluation plan referred to in Article 56 of Regulation (EU) No 1303/2013 is in place, that the ex post programme evaluation referred to in Article 57 of Regulation (EU) No 1303/2013 is conducted within the time limits laid down, ensuring the conformity of such evaluations with the monitoring and evaluation a system and their submission to the Monitoring Committee and the Commission;

- provide information and documents to the Monitoring Committee needed to monitor Programme implementation in the light of its specific objectives and priorities;

- draw up the annual progress report, including aggregate monitoring tables, and, submit it to the Commission after approval by the Monitoring Committee;

- draw up the annual implementation reports in accordance with Article 75 of Regulation (EU) No 1305/2013;

- monitor the fulfilment of applicable ex ante conditionalities and carry out actions relating to the fulfilment of ex ante conditionalities which fall within the responsibilities of the Managing Authority;

- ensure that Paying Agency receives all necessary information and in particular on the procedures operated and any controls carried out in relation to operations selected for funding, before payments are authorised;

- draw up the Information and Publicity Strategy and ensure its implementation to ensure publicity for the Programme, including through the national rural network, by informing potential beneficiaries, professional organisations, economic and social partners, bodies promoting equality between men and women and relevant non-governmental organisations, including environmental organisations of the possibilities offered by the Programme and rules for gaining access to programme funding, as well as by informing beneficiaries of the Union contribution and the general public on the role played by the Union in the programme;

- inform the Monitoring Committee at least once a year on the progress in the implementation of the information and publicity strategy and on its analysis of the results as well as on the planned information and publicity to be carried out in the following year;

- manage and implement the Technical Assistance measure of the Programme.

The Assistant Minister competent for the activities of Directorate for Management of EU Funds for Rural Development, EU and International Co-operation is the Head of the MA. The structure of the MA is laid down in the Internal Ordinance of the Ministry of Agriculture, which establishes the Head and structure. Core MA tasks will performed by the Sector for the Management of the EU fund for rural development encompassing 39 staff employed exclusively on activities directly related to the RDP and deployed in 3 services and 7 departments. Some horizontal support tasks may be carried out by other Ministry staff. The MA may recruit external staff or specific experts using Technical assistance resources.

The Department for the control of rural development programme implementation within the MA is responsible for overseeing procedures of independent controls and their coordination. It coordinates and supervises the overall management and control system in RDP implementation for efficient and transparent use of financial resources, based on an Annual Control Plan. This includes quality assurance;
permanent monitoring of all authorities involved; verification of the compliance with EU regulations and rules based on a sample desk-check; checks on irregularities and the need to take corrective actions to improve the management and control system. It is responsible for coordinating with the PA to assess the verifiability and controllability of the measures during RDP implementation. This shall take into account the result of controls in the previous and current period and is envisaged indicatively in preparation of the annual meeting with the Commission.

The Department establishes and keeps a register of risks and proposes measures to minimise identified risks and avoid or reduce adverse effects. It issues guidelines for the establishment and improvement of control procedures and supports other departments responsible for implementation to increase efficiency of resource use. It ensures that all necessary documentation related with RDP implementation is available to relevant national and EU bodies upon request.

The Department coordinates with the MRDEUF and maintains the internal monitoring system as well as ensuring the exchange of information with the MIS system implemented by the Coordinating Body.

Together with other bodies, the Department verifies the use of funds by support beneficiaries in the case of serious doubts of irregularities and informs the AFCOS network unless another body involved in Programme implementation has already informed AFCOS.

The PAAFRD is responsible for making payments for support measures within CAP. It was established by the Act on the establishment of the Paying Agency for Agriculture, Fisheries and Rural Development (OG No 30/09). Its responsibilities have been detailed by the Act on Agriculture (149/09, Article 21) and Ordinance on Accreditation (OG No 40/01).

The Paying Agency performs the following functions related to the RDP:

- approving payments, including checks that applicants meet the necessary requirements and establishing the amounts to be paid;
- execution of payments, including the preparation of orders for payments and forwarding funds to applicants’ accounts in accordance with the approved amounts;
- keeping accounts of commitments and executed payments with special attention paid to accuracy and timely manner of recording commitments and payments from agricultural EU funds in special accounting records, and drawing up of reports on expenditures, including quarterly and annual reports for the European Commission.
- it is responsible for management and control of expenses.

It is envisaged that 174 employees of the PAAFRD shall be dedicated to EAFRD related tasks once full implementation is in course. However, it has wider responsibilities including the implementation of different EU and nationally funded programmes as well as other delegated tasks and currently employs 630 staff. It has a flexible structure which can respond to future needs according to an annual workload analysis.

The Competent Authority (CA) for the accreditation of the PAAFRD is the Independent Service for Accreditation of the PAAFRD and Certification and Confirmation of the Implementation of Fisheries Aid Schemes in the MoA. After accreditation is granted, the CA shall supervise the work of the PAAFRD and its fulfilment of the accreditation criteria, and every three years inform the EC in writing of the results of
its supervision.

To ensure the maximum efficiency and effectiveness in the implementation of the Programme, the MA and PA shall collaborate constantly, in the full respect of their specific competences and responsibilities.

The MA and the PA shall provide an ex ante assessment of the verifiability and controllability of the measures included in the RDP and undertake the assessment of the verifiability and controllability of measures during their implementation.

The Certification Body (CB) is the Agency for the Audit of European Union Programmes Implementation System (ARPA). ARPA is responsible for the audit of activities of the PAAFRD, including checking fulfilment of accreditation criteria and it is responsible to certify that invoices are true, complete and accurate taking into account established systems for management and control.

It shall provide an opinion, drawn up in accordance with internationally accepted audit standards, on the completeness, accuracy and veracity of the annual accounts of the paying agency, on the proper functioning of its internal control system and on the legality and regularity of the expenditure for which reimbursement has been requested from the Commission. That opinion shall also state whether the examination puts in doubt the assertions made in the management declaration.

15.1.2.2. Arrangements for the independent examination of complaints

The MA shall establish a procedure for the independent examination and resolution of complaints from beneficiaries. The MA shall institute an independent commission to handle received complaints in accordance with the procedures publicised on the programme website. All applicants and beneficiaries shall be informed on the procedure for the submission of a complaint. The Department for the control of rural development programme implementation shall act as Chair. The mandate of the commission is exclusively related to resolving beneficiaries' complaints and assessing whether the procedures for selection, and refusals, withdrawals and penalties for non-compliances have been properly carried out. It has no authority to make a final decision on the financing of activities under RDP or their eligibility. In the case of acceptance of a beneficiary's complaint, the commission shall refer their decision to the Paying Agency for processing, which is the only authority that can make the final decision concerning the complaint. The Department for the control of rural development programme implementation shall perform an analysis of the received complaints as well as the procedures of the independent commission in order to perform a timely correction of possible deficiencies in the control system and ensure efficient implementation of the RDP.

15.2. The envisaged composition of the Monitoring Committee

The Monitoring Committee for the Rural Development Programme (MC) will be set up within three months following the notification of the Commission’s decision adopting the Programme, in accordance with Article 47 of Regulation (EU) No 1303/2013. The Secretariat of the MC is responsible for providing all documentation and reports, drawing up the agenda, taking minutes and recording the conclusions of the meetings. The MC will act in accordance with the Committee's Rules of Procedure which will be
adopted at the first meeting. The Rules of Procedure shall take into account the indications in the 
European code of conduct on partnership, and establish voting procedures. The MC shall be chaired by 
the MA. Until the approval of the Programme, a provisional MC shall be convened in order to approve 
any selection criteria for the implementation of measures starting before the official establishment of the 
MC. These decisions shall be subject to formal adoption by the MC at the first meeting.

The MC shall meet at least once a year.

The MC shall satisfy itself as to the performance of the rural development programme and the 
effectiveness of its implementation. To that end the MC shall carry out all the functions specified in 
Article 74 of Regulation (EU) No 1305/2013.

MC members and their alternates will be the representatives of state administration, local and regional 
administrations, economic and social partners and relevant bodies representing civil society, including 
environmental partners, non-governmental organisations, and bodies responsible for promoting social 
inclusion, gender equality and non-discrimination.

The number of non-governmental members will be at least equal to the number of the members from the 
governmental bodies and authorities.

Among others, members of MC may include:

- Representatives from Ministries responsible for: Agriculture; Economy; Entrepreneurship and 
  Crafts; Regional Development and EU Funds; Foreign and European Affairs; Environmental and 
  Nature Protection; Finance; Tourism; Construction and Physical Planning
- Croatian County Association
- The Association of Municipalities in the Republic of Croatia
- Faculty of Agriculture in Zagreb
- Faculty of Agriculture in Osijek
- Croatian Chamber of Agriculture
- Croatian Chamber of Economy
- Croatian Chamber of Crafts
- Croatian Employers Association
- Croatian Association of Cooperatives
- Institute for Adriatic Crops and Karst Reclamation
- Croatian Agricultural Agency
- Advisory Service
- Croatian Center for Agriculture, Food and Rural Affairs
- Croatian Forest
- Croatian Banking Association
- Croatian Bank for Reconstruction and Development
- Institute for Tourism
The Commission shall participate in the work of the MC in an advisory capacity.

The full list of the members and alternates of the MC will be published on www.mps.hr.

In addition to the functions referred to in Article 49 of Regulation (EU) No 1303/2013, the MC shall:

- be consulted and issue an opinion, within four months of the decision approving the programme, on the selection criteria. The selection criteria shall be revised according to programming needs;
- examine in particular actions in the programme relating to the fulfilment of ex ante conditionalities;
- examine all issues that affect the performance of the programme;
- examine the activities and outputs related to the progress in the implementation of the Evaluation plan;
- participate in the National Rural Network to exchange information on programme implementation;
- consider and approve any amendment of the programme as well as the AIRs before they are sent to the Commission.

Technical assistance funds from the RDP may be used to support all the activities of the MC including
capacity building actions.

15.3. Provisions to ensure that the programme is publicised, including through the National Rural Network, making reference to the information and publicity strategy, which describes the information and publicity arrangements for the programme in more detail, referred to in Article 13 of this Regulation

**Information and Promotion Strategy**

The Managing Authority of the programme (MA) is responsible for:

- Drawing up the Information and Publicity Strategy in accordance with Annex III of Commission Implementing Regulation (EU) No …/.. laying down rules for the application of Regulation (EU) No 1305/2013 and its implementation
- Setting up a website to provide information on the Programme
- Informing potential beneficiaries on the opportunities for funding under the RDP, the related procedures, eligibility conditions and selection criteria, the contacts for information and the procedures for examination of complaints
- Informing the general public of the content of the RDP, its adoption and updates, the main achievements in the implementation of the programme and its closure, as well as its contribution to the achievement of the Union priorities as set out in the Partnership Agreement.

The MA is responsible for leading the overall RDP communication process and involving the NRN in ensuring publicity for the programme. The information and publicity strategy drawn up by the MA shall form the basis for the NRN's communication plan and shall set a clear division of tasks between the MA and NRN. The Information and Publicity Strategy shall be submitted to the MC for information within six months of the adoption of the Programme. The MA shall ensure that a consistent approach is applied to all tools to reinforce and reiterate common core messages and maintain a coherent visual identity.

The target groups can be broadly divided into 3 categories with appropriate communication objectives and tools to be adopted:

- General public
- Potential beneficiaries and Rural development stakeholders
- Beneficiaries

Depending on the profile of the target group, the MA shall make adjustments to the communication channels that are planned to be used.

Indicatively, the following communication tools shall be used, in accordance with the Information and Publicity Strategy:

**Communication to the General Public:**

a) Press campaigns
The MA shall carry out the promotion of the programme by means of press events and releases, radio, television and web-based promotional campaigns and the participation in thematic or specialised national, regional and local programmes to provide general information on the programme and its objectives and communicate its results. Indicatively, this may include video-communication products, the purchase of editorial space ‘advertorials’ in general and special interest newspapers and magazines and radio ‘infomercials’. Media outreach shall include the production of specialised articles as well as press releases.

b) Web-based tools

Communication to the general public shall be carried out not only through institutional websites but also use complementary web tools such as web 2.0, in line with a social media strategy.

c) Educational and informative awareness-raising actions

These activities may also be implemented with the collaboration of the rural stakeholders and RDP beneficiaries. These actions may form part of a wider communication to the public on ESI Funds.

Communication to Potential beneficiaries and rural development stakeholders

The objective is to provide clear, complete and up-to-date information on:

- Europe 2020 objectives and the RDP contribution to their achievement
- The objectives and goals of the RDP measures and sub-measures
- Calls, tenders and all administrative procedures for funding applications from the RDP
- All regional and local contacts and relay bodies for more detailed information on the RDP

This shall be achieved by:

a) Provision of information tools to relay bodies, technical support on implementation procedures for support structures and targeted information actions

Technical support and tools for relay bodies to use in their information actions and for further dissemination and distribution, including trainings. Specific Information Actions and Events carried out by relay bodies in accordance with an agreed action plan shall also be eligible.

Indicatively, the following relay bodies shall be involved in information actions:

- Regional and rural development agencies
- Advisory Service
- Croatian Agricultural Agency
- Paying Agency
- Town and county offices for agriculture
- Local action groups
- National rural network
b) Informative seminars and technical guidance

Potential beneficiaries of a particular measure and rural stakeholders will be informed about the eligibility conditions and selection criteria, all implementation details, eligible investments, conditions, support amounts, the application process and necessary documentation, etc. These will be carried out in accordance with an agreed implementation schedule with tailored solutions for different measures and schemes identifying the most effective approach and the appropriate instruments to be used, including ICT tools. The approach shall take into account areas with randomly spread beneficiaries and limited accessibility in defining the needs for direct communication.

c) Information materials

The MA shall, in co-operation with other relevant institutions (such as the Paying Agency), publish different materials for potential beneficiaries, such as guidance leaflets, beneficiary guidelines etc. All materials shall be available at the MA, PAAFRD and its regional offices, offices of the Advisory service (AS), the Croatian Agricultural Agency (HPA), as well as in the other interested institutions. All these materials shall be available in web and printed formats.

d) Newsletter

A regular newsletter shall be distributed electronically to rural stakeholders on an on-line subscription basis, with up-to-date information on the opportunities for funding.

e) Targeted media campaigns

The activities may include promotional messages, advertising space, the purchase of editorial space ‘advertorials’ in general and special interest newspapers and magazines, radio ‘infomercials’, participation and presentations on specialised TV and radio shows and promotion on web-based media on individual measures and schemes.

f) Web tools and social media

The RDP website will include indicatively:

- Ordinances on measure implementation
- Guides for beneficiaries for all programme measures
- Application documentation
- Contact data (addresses, e-mails, telephones) of all institutions involved in programme implementation from which information can be required
- List of programme beneficiaries
- Published tender and call results
- Links to web pages of relevant institutions, including the link to the Commission web page regarding EAFRD
g) Participation in rural stakeholder events and fairs

Beneficiaries:

Specific guidance on implementation will be provided to beneficiaries. Information and Publicity Guidelines shall be provided to relevant beneficiaries, tailored at measure level, to ensure full compliance with all the visibility requirements, including all technical specifications. A Communication Toolkit will also be available to provide templates and examples for further communication purposes at beneficiary level.

The indicated actions are not exhaustive and further activities shall be defined in the Information and Publicity Strategy which shall be updated regularly in accordance with the evaluation of the impact of the communication actions.

National Rural Network

One of the most important tasks of the National Rural Network is communication and transfer of information to stakeholders on possibilities offered by 2014-2020.

The role of the National Rural Network is to promote information on rural development, exchange of ideas and good practice in rural development programme implementation in the Republic of Croatia and European Union, promote measures of rural development programme, promote partnership and co-operation of all network members and raising awareness and capacities of all network members.

The NRN shall develop its own Information and Publicity Strategy in coherence with the Programme Strategy

Monitoring and Evaluation of the Information and Publicity strategy

The MA will monitor the impact of the information and publicity measures in terms of transparency, awareness of the programme and the role of the EU. The evaluation strategy for communication will envisage regular assessment to check the achievement of the objectives through the monitoring of performance indicators and feedback that will allow for adaption and fine-tuning of communication approaches to ensure they remain fit-for-purpose and customer-oriented.

The MA shall monitor the implementation of this evaluation and disseminate the evaluation findings.

Coordination with ESI Funds promotion

The Strategy shall be correlated with the overall Communication Strategy for ESI Funds in RoC under the responsibility of the MRDEUF as Coordinating Body.

Furthermore, the MRDEUF as Coordinating Body for ESI Funds is responsible for a central web site – www.strukturnifondovi.hr - providing (a) general information on funding opportunities under ESI funds, (b) information on applicable rules and procedures for ESI funded projects, (c) e-learning contents available on-line as well as information on other learning opportunities for ESI funds project management and (d) contacts of bodies responsible for further support to potential beneficiaries within particular policy area, provided by the relevant Managing Authority. Therefore, multiple channels of access to same
Further coordination shall be guaranteed through the Publicity Officers Network (PON). The purpose of the PON is to ensure coordinated and simultaneous dissemination of the above mentioned information, but also to provide first level technical support to potential beneficiaries. The Publicity Officer for the RDP is part of the PON.

**15.4. Description of mechanisms to ensure coherence with regard to local development strategies implemented under LEADER, activities envisaged under the co-operation measure referred to in Article 35 of Regulation (EU) No 1305/2013, the basic services and village renewal in rural areas measure referred to in Article 20 of that Regulation, and other ESI Funds**

Special attention shall be paid to ensure coherence with regard to local development strategies implemented under Leader and operations under sub- measure 7.4 “Investments in the setting -up, improvement or expansion of local basic services for the rural population, including leisure and culture, and the related infrastructure”. Since LAGs can be beneficiaries but can also award funds to other beneficiaries for the same operations, mechanisms shall be put in place by LAGs to ensure that there is no duplication of funding in project selection. This shall be checked at the project level.

Local Development Strategies shall be implemented through LEADER in the EAFRD and FLAGS in the EMFF following a mono-fund approach. Since it is impossible to draw up a delimitation based on geographical area in Croatia and a LEADER area may be totally or partially overlapping with a FLAG, a clear separation of funds is necessary. This shall be ensured both at programming and implementation level, as the MoA has overall responsibility for the ERDF and the EMFF, and through coordinated monitoring and control in the PAAFRD. The procedure for implementing CLLD in fisheries and establishing FLAGs is under development by the Ministry of Agriculture, Directorate for Fisheries, the EMFF Managing Authority.

Appropriate mechanisms of coordination shall be developed by the respective Managing Authorities to prevent improper double funding from different Community instruments. Specific guidelines shall be developed for cases where the same administrative support structure is used for the implementation of both to ensure coherence.

Concerning the participation of LAGs as beneficiaries in other ESI programmes, such as Territorial Cooperation programmes, coherence will be assured through coordination with the MRDEUF, the Croatian National Authority for Territorial Cooperation Programmes in the National Coordinating Committee. This will allow for cross-checks as applicable. Furthermore, information and data on LAGs that are Territorial Cooperation beneficiaries shall be available on the relevant programme MIS. Administrative cross checks shall be made from the MIS data available to the National Authority and through the centralised First Level Control Body for Croatian Territorial Cooperation beneficiaries.
15.5. Description of actions to achieve a reduction of administrative burden for beneficiaries referred to in Article 27(1) of Regulation (EU) No 1303/2013

Significant efforts have been made to reduce the administrative burden for beneficiaries. During IPARD programme implementation there were serious deadlocks in project contracting, mainly because of the lack of administrative capacities in both the Paying Agency, as the contracting authority and in other state and public institutions responsible for issuing the documentation necessary for applying for a tender. Administrative capacities have been enhanced through IPA 2011 “Strengthening the PAAFRD capacities for meeting the challenges arising from the CAP and the CFP reforms and the post 2013 period“.

The processing of applications, which in pre-accession lasted from several months to up to one year due to manual submission and paper documentation, will be substantially quicker in 2014-2020, primarily because of the electronic submission of applications. The PAAFRD has contracted an appropriate software solution within IPA for applications. AGRONET, which guides the applicants in completing the application/claim by a predefined process flow, has automatic crosschecks of information provided by the beneficiaries, from available data records maintained by PAAFRD and/or other public institutions in line with the once-encoded principle. This is currently being updated to be compliant with the 2014-2020 requirements. All e-governance solutions shall be implemented as available. This will substantially reduce the amount of necessary documentation to be delivered together with the application and also reduce risks of failure and undue applications/requests submitted by beneficiaries. AGRONET also provides other benefits to potential applicants/beneficiaries, such as an overview of the entire legal basis concerning particular support measures and insight into the current status of applications (e.g. submitted/pending/approved/rejected). As some potential beneficiaries may have difficulties in accessing or completing the on-line applications, specific assistance and guidance will be provided by Croatian Agricultural Agency (CAA) and the Advisory Service (AS) as has already taken place in 2013.

A shorter processing of applications will be achieved by reducing on-the-spot controls to 5% of the total number of applied projects and increasing the number of offices which will carry out the processing of applications, namely in the Paying Agency regional offices in Split, Rijeka, Osijek and Bjelovar and the central office in Zagreb.

The lengthy procedure for issuing planning permission, which used to last several years, has been partially addressed by the provisions of the new Building Act (OG No 153/12) and accompanying regulations, which provide for a simplified procedure for planning permission, the reduction of necessary documentation and a substantially shorter time for issuing planning permissions based on which the building is approved.

A legislative procedure for regularisation is under way for buildings without permits which can be legalised in accordance with physical planning documentation providing that the owner submitted a valid application by June 2013. According to the plan of the competent Ministry, valid permits will be issued by the end of 2016 which will give the opportunity for these potential beneficiaries to submit applications under this Programme especially for investments under measure “Investments in physical assets”.

Further assistance to beneficiaries in implementing operations is envisaged through the provisions of specific and tailored guidelines and training on procurement in investment measures and the preparation of specific Visibility Guidance and toolkits for beneficiaries to ensure the full respect of their responsibilities.

Technical assistance funds from the RDP may be used to support actions to reduce the administrative
burden on beneficiaries.

15.6. Description of the use of technical assistance including actions related to the preparation, management, monitoring, evaluation, information and control of the programme and its implementation, as well as the activities concerning previous or subsequent programming periods as referred to in Article 59(1) of Regulation (EU) No 1303/2013

Description of the use of technical assistance

Technical Assistance resources shall enable the financing of activities to support the preparation, management, monitoring, evaluation, information and communication, networking, complaint resolution and control and audit of the Rural Development Programme, to support actions for the reduction of administrative burden for beneficiaries and specific actions to reinforce the capacity of the Croatian authorities and beneficiaries to administer and use the Rural Development Programme.

Furthermore, technical assistance resources shall finance the establishment and operating of the National Rural Network.

The measure is implemented by means of two sub-measures:

1. Support for technical assistance activities for the programme implementation;
2. Support for the setting-up and operating of the National Rural Network.

Technical Assistance Activities:

Under this measure, the following types of activities are eligible:

1. Activities related to the tasks of the programme MC, including all costs related to MC meetings and expert groups, experts participation in these meetings and capacity building actions for MC members;
2. The Information and Promotion strategy and implementation of annual plans for Information and promotion of the Programme;
3. Actions directed at strengthening the administrative capacities of the Managing Authority, Paying Agency and other bodies involved in the management and implementation of the Rural Development Programme, including training and capacity-building actions;
4. Actions needed to ensure the effective monitoring of the Programme including the setting up of an appropriate secure IT system to record, maintain, manage and report statistical information on the programme and its progress towards the defined objectives and priorities in accordance with art. 66 (1 a) of Regulation (EU) No 1305/2013;
5. Independent ex-post evaluations of the Programme and activities relating to the monitoring and evaluation of the Programme as specified in the Evaluation Plan;
6. Actions to address operational bottlenecks in the administration of the RDP;
7. Actions to increase the capacities of Beneficiaries to access and use the RDP;
8. Actions to reduce the administrative burden of beneficiaries;
9. The setting-up and operating of the National Rural Network including the costs of the Network Support Unit and preparation and implementation of the Network Action Plan,
10. Activities related to the International/EU networking & cooperation, including the ENRD/EIP;
11. Operations necessary for the closure of the IPARD programme and the ex post evaluation as referred to in Article 191 of Regulation (EC) No 718/2007[1];
12. The preparation of the 2021 -2027 Programme and associated costs, including ex-ante evaluation, strategic environmental assessment and associated evaluation work.

The following expenditure shall be eligible:

- Staff costs of the MA, namely 39 staff employed in the Directorate for Management of EU Funds for Rural Development, EU and International Co-operation in the Ministry of Agriculture exclusively involved in the management of the RDP, and other MoA staff directly involved in the management of the RDP, as established by the specific internal Ordinance and in line with the Human Resources Action Plan for the management and implementation of the RDP, following the adoption of the Act on the Establishment of Institutional Framework for ESIF Management in the Republic of Croatia in 2014-2020 period;
- Staff costs of the PAAFRD may be eligible, subject to the definition of the Human Resources Action Plan and annual workload analysis, for staff employed exclusively on activities related to the implementation of the RDP;
- Organisation of capacity building actions including training programmes and study visits and other activities in line with the RDP training needs analysis annexed to the Human Resources Action Plan and for all bodies involved in the management and implementation of the programme, including the Advisory Service and relay bodies;
- Travel costs and eligible per diems for travel directly related to the tasks and responsibilities of the TA beneficiaries, including for officially delegated and mandated staff;
- External expertise, including studies and analyses to support the TA beneficiaries in their tasks;
- Innovation brokers to support the formation of potential operational groups;
- Expenditures for translation and interpreting for the activities foreseen within this measure;
- Services and logistic support for meetings and events;
- Purchase of specific equipment including office equipment and consumables;
- Development/Upgrading of ICT infrastructure for monitoring and evaluation purposes;
- Any costs related to complaint resolution concerning the RDP in accordance with article 74 (3) of Regulation (EU) 1303/2013;
- Any costs related to specific anti-corruption and anti-fraud measures regarding the RDP, in support to the competent national authority;
- All costs related to information, communication and promotion campaigns for the NRDP and EAFRD in line with the approved Communication strategy and plans;
- All costs relating to the setting-up and operating of the National Rural Network, including costs for the Network Support Unit.
This list of expenditures is not exhaustive.

Beneficiaries of funding from this measure are the MA and the PAAFDRD.

The Measure will be implemented by the MA.

The activities financed under the Technical Assistance measure shall be contracted in compliance with the national legislation in force regarding public procurement.

The detailed list of eligible expenses and applicable procedures shall be contained in the Manual for Technical Assistance of the RDP to be drawn up by the MA. Concerning staff costs and travel costs of the beneficiaries, simplified cost options shall be established in accordance with the Article 68 of Regulation 1303/2013. The Manual will also establish the methodology for the application of simplified cost options for Technical Assistance Beneficiaries.

The intensity of the support in this measure amounts to 100%.

16. List of actions to involve partners

16.1. Council for rural development

16.1.1. Subject of the corresponding consultation

Council members are briefed on draft of RDP 2014-2020 and on the activities and plans of the Managing Authority in relation to designing thereof. A communication frame has been set up by means of which stakeholders will exchange information and documents, as well as give remarks and comments. Meetings were held on 13.07.2012, 31.10.2012, 17.07.2013 and 10.12.2013.

16.1.2. Summary of the results

A communication frame has been achieved among stakeholders involved in drawing up of RDP 2014-2020. At meetings, new versions of RDP 2014-2020 updated by proposals and comments of the stakeholders involved were presented.

16.2. Debate on investment priority “Rural development and increase of productivity in agriculture” (EAFRD)

16.2.1. Subject of the corresponding consultation


16.2.2. Summary of the results

A process of designing of Rural Development Programme 2014-2020 has been presented with the emphasis on three main topics:

1. Structure of agricultural holdings in RC and their position in the programme, demarcation between large and small, commercial and non-commercial, etc.

2. Absorption capacity for using EAFRD envelope, availability of financial resources for interim financing – credits, short-term borrowing, guarantees, changes in relation to IPARD – advance payments and instalment payments; structure of business plans, readiness of projects, institutional frame, readiness of institutions to assume their role – Advisory service, development agencies, consultants; readiness of beneficiaries – small farmers, large holdings, young farmers, food industry, forestry sector, units of local self-government.
3. Definition of rural area i.e. how to optimally define rural area and impact of that definition to other aspects of the programme


16.3.1. Subject of the corresponding consultation

The two key questions discussed at the Focus Group Meeting in Croatia were:

- What are the major lessons learned on monitoring and evaluation from the national and pre-accession (SAPARD & IPARD) rural development programmes?
- Which recommendations stakeholders give for improving monitoring and evaluation in 2014–2020 and practical implementation of the Evaluation Plan?

16.3.2. Summary of the results

In a collaborative setting the representatives of Managing Authorities, evaluators, members from the Monitoring Committee, the Paying Agency and representatives of research and academia discussed the lessons learnt on evaluation in the current period and how they can be applied in planning and implementing the evaluation during the next programming period.

16.4. Presentation of measures from RDP draft

16.4.1. Subject of the corresponding consultation

Under organisation of Croatian Chamber of Economy and Consultants association UKRA, on 28 October 2013 a presentation was held for consultation companies which provide services of making projects for application for rural development measures.

16.4.2. Summary of the results

Up-to-now activities were presented to the people present in relation to RDP and plans for further updating. Remarks and comments were received to the presented version of RDP.
16.5. Public consultation on the strategic environmental assessment (SEA) report and the draft rural development programme

16.5.1. Subject of the corresponding consultation

In the period from 13 June to 12 July 2014, public consultation was organized on the SEA report and the draft rural development programme in accordance with Article 6 of the SEA Directive.

16.5.2. Summary of the results

During this period only few minor comments were received and the final SEA report was delivered in July 2014.

16.6. Public debate on RDP drafts

16.6.1. Subject of the corresponding consultation

Draft of RDP 2014 -2020 has been officially presented at workshops in all counties of the Republic of Croatia in the period from 18 –29 March 2013. 2nd round of presentation was held in the period from 01 –05 July 2013 in Osijek, Rijeka, Split and Zagreb.

16.6.2. Summary of the results

Stakeholders are briefed on the possibilities of investment and support through RDP measures. Proposals and comments by the public were received to the first version of RDP.

Improved RDP version presented in 2nd round.

16.7. Published at web page www.mps.hr/ipard/

16.7.1. Subject of the corresponding consultation

On 7 November 2013 at official Managing Authority page, a draft of RDP was published and email address opened eafrd@mps.hr at which comments to RDP can be sent
16.7.2. Summary of the results

Comments are collected to the published RDP and in accordance with the possibilities, one part has been accepted.

16.8. Workshops in relation to the LEADER measure

16.8.1. Subject of the corresponding consultation

Ludbreg, 27.03.2013 – members and representatives of the LAG Izvor;
Đurđevac, 20.06.2013 - members and representatives of LAGs Podravina and Zselici Lampasok;
Zagreb, 23.07.2013 – representatives of LAGs in RC;
Biograd n/m, 08-10.09.2013 – Representatives of potential Lags from the RC (LAGs which did not apply at 1st Tender for the measure 202, LAGs which did not fulfil the 1st Tender conditions for measure 202 and local partnerships according to LEADER principle);
Nijemci, 23.09.2013 - members and representatives of the LAG Bosutski niz and LAGs from RC;
Ilok, 10. – 11.10.2013 – members and inhabitants of the LAG Srijem and representatives of LAGs from RC;
Zagreb, 05.11.2013 – representatives of chosen LAGs from RC at 1st tender for measure 202;
Zadar, 7–08.11.2013 - representatives of LAGs from RC;
Zadar, 10–11.12.2013 - representatives of LAGs from RC.

16.8.2. Summary of the results

Public debate on draft of the LEADER measure 2014-2020 and presentation of draft RDP 2014-2020

16.9. (Optional) explanations or additional information to complement the list of actions

Partnership is one of the basic principles for the preparation of programme documents at the EU and national level. The key for partnership implementation is the active participation of partners in all stages of programme cycle from the preparatory stage, during implementation and finally in the monitoring and evaluation stage. It is also important that actors involved in implementation of RDP 2014-2020 actively participate in its design. The Ministry of Agriculture supports and coordinates the activities of organisation and the involvement of partners' representatives which contributes to better representativity,
transparency and more efficient co-operation.

In accordance with the approach of multi-level governance, representative and competent partners are involved in the preparation of Partnership Agreement and in preparation, implementation, monitoring and evaluations of RDP 2014-2020 within the work of the Council for Rural Development. All key partners are involved or invited to participate in the elaboration of strategic documents in Croatia. In July 2012, the first meeting of the Council for Rural Development was held, at which members of the Council were informed on the preparatory activities in drawing up the RDP 2014-2020. All members of the Council assumed an active role in ensuring that competent analyses were made as well as the studies necessary for updating the draft of RDP 2014-2020, and they directed the development of working documents through their comments and proposals to presented versions of the RDP.

In March 2013, a first public presentation of the draft RDP was held in all county centres in Croatia. By means of an open public debate, the Ministry of Agriculture invited Partners to deliver their comments, opinions and proposals to the presented RDP 2014-2020. The results of the said activities were presented within the 2nd round of public debate held in July 2013. Furthermore, all received comments in accordance with the Regulation were introduced into the improved version of the programme.

The Ministry of Agriculture organised, for the purpose of building a more open and transparent dialogue and timely information, several presentations in order to present the process of RDP elaboration 2014-2020, where the updated version of the programme was presented to the gathered audience. The publication of the draft RDP 2014-2020 on the web page of the Ministry of Agriculture resulted in receiving a large number of comments and proposals at the email address eafrd@mps.hr which was specifically opened for that purpose and which will represent a central informative point for communication with the public in future.

The drawing up of Strategic Environmental Assessment which started on 28 October 2013 by the decision of the Minister of Agriculture was the prerequisites in the process of drawing up the RDP 2014-2020.

The Ministry of Agriculture sent a letter to competent ministries and counties, in accordance with the said decision, asking for their opinion on the content of the SEA, since the content of the SEA has been laid down in Regulation on the strategic assessment of plan and programme impact to the environment ("Official Gazette“ No 64/08). In addition to the prescribed content, suggestions from competent ministries were requested, as well as from all counties on additional content and on the level of data which have to be processed in the strategic study.
17. NATIONAL RURAL NETWORK

17.1.1. The procedure and the timetable for establishing the National Rural Network (hereinafter NRN)

The Ministry of Agriculture established a Network for Rural Development during 2011 (hereinafter referred to as the Network) which operates on the entire rural area of Croatia.

The first call for application for membership in the Network was published from August to October 2012 and there were 196 applications. The second call for application for membership in the Network was published from December 2012 to May 2013, and there were 81 applications for membership. Network members come from all counties and the town of Zagreb. Membership was approved to all natural and legal entities that sent application for membership in the Network on time. Coverage extends across the whole country. Out of 277 Network members, 8 are professional institutions in agriculture and rural development, 19 are development agencies/institutions, 82 are associations/societies/unions, 15 are chambers/clusters related to agriculture and rural development, 9 are educational and scientific institutions in the field of agriculture and rural development, 49 are units of local and regional self-governments, 51 are agricultural holdings and 44 belong to other groups. There are no representatives of state administrations and international organisations in the Network.

The Network is member of the European Network for Rural Development (ENRD).

In order to ensure continuity in the work of the Network, no new Network will be established, but in view of a better implementation of activities, some organisational changes will take place in order to adapt the work of the Network for the programming period 2014-2020. These changes shall provide the Network with a stronger identity, a clearer remit and ensure greater stakeholder input.

Membership in the Network is voluntary, and for the purpose of including all stakeholders in rural development and to allow more flexibility, a system of continuous applications for membership will be created for admitting new members. The detailed description of membership procedure, as well as the rights of the Network members shall be elaborated in the Network Action Plan.

Network members will be informed of the said changes in a timely manner, as well as on the new provisions related to the operation of the Network in the period 2014-2020.

17.1.2. The planned organisation of the network, namely the way organisations and administrations involved in rural development, including the partners, as referred to in Article 54(1) of Regulation (EU) No 1305/2013 will be involved and how the networking activities will be facilitated

The Network consists of its members, the Network Support Unit (hereinafter referred to as the NSU) and its coordinating body (hereinafter referred to as the Steering Committee).

Network members can be government bodies, professional institutions in agriculture and rural development, local and regional self-government units, regional and local development agencies, agricultural holdings, educational and scientific institutions in the field of agriculture and rural development, associations and chambers related with agriculture and rural development and other natural
and legal entities whose activities are related to agriculture and rural development.

The NSU operates in the Ministry of Agriculture with the Directorate for Management of EU Funds for Rural Development, EU and International Co-operation. The tasks of the NSU are to keep records on Network membership, support the work of the Steering Committee, communicate with Network members, establishment and maintenance of the web page of the Network, draft the Network Action Plan, prepare reports on implementation of the Network Action Plan, and communicate with the ENRD and other networks. The NSU team will have the skills and expertise to facilitate programme networking and communications, supplemented by a flexible resourcing policy to enable staff and specialists to be contracted or seconded. The Steering Committee of the Network is appointed by the Minister of Agriculture.

In the period 2014-2020, the Steering Committee will be composed of representatives of economic and social partners, civil society organisation, LAGs, state administration bodies, professional institutions and other relevant institutions involved in rural development.

The tasks of the Steering Committee are as follows:

- participation in the work of the network;
- review of annual Network Action Plan and reporting on the implementation of annual Network Action Plan;
- examination of the implementation progress report of the RDP 2014-2020;
- proposal of activities to the Directorate for Management of EU funds for Rural Development, EU and international co-operation for the improvement of the RDP 2014-2020;
- dissemination of information and news on measures from the RDP 2014-2020.

Active involvement of all relevant partners referred to in Article 55 of the Regulation (EU) No 1305/2013 in the work of the Network is foreseen.

The Steering Committee will have a substantial influence on network activities and its members will be requested to actively participate in the work of the Network and in thematic groups which will be organised depending on common interest and propose activities to direct and improve the work of the Network.

Thematic work groups will be organized based on a common interest of the stakeholders. Members of thematic work groups will have opportunity to discuss selected topics and they will present their conclusions to the members of the Steering Committee and the broader public. Independent expert services relating to a thematic work group topic may be contracted. The membership of a thematic work group shall be informal, voluntary and open to all partners with an interest in rural development and agriculture in general. Each thematic work group shall seek for a broad-based membership and so provide an innovative and flexible framework in which to plan and implement collaborative activities, identify and mobilize resources for rural development, promote new policies and projects and share information, knowledge and expertise etc.

The web page of the Network will provide updated information on the RDP 2014-2020, good practice examples and other relevant information to a large number of stakeholders. Network members will be informed on news relating the RDP 2014-2020 by email alerts and other appropriate dissemination tools.
17.1.3. A summary description of the main categories of activity to be undertaken by the NRN in accordance with the objectives of the programme

The Network promotes co-operation and mutual assistance between individuals and organisations involved in rural development. Disseminating information on rural development and the exchange of ideas and good practice in implementation of rural development policy in Croatia and European Union will contribute to a more successful implementation of the Rural Development Programme. The Network activities contribute directly or indirectly to all objectives and priorities of the RDP 2014-2020. One of the Network objectives is to improve the quality of implementation of the whole RDP and by doing that, it contributes to overall objective of the RDP.

The mission of the Network is integration and co-operation of all who participate in rural development at different levels.

Its overall objectives are to:

a. increase involvement of stakeholders into the implementation of rural development;

b. improve quality of implementation of rural development programme;

c. inform general public and potential beneficiaries on the policy of rural development and the possibility of project co-financing;

d. foster innovations in agriculture, food production, forestry and rural areas.

Eligible activities which will be co-financed are as follows:

- establishment, operation and management of the Network;

- drafting and implementation of the Network Action Plan.

Activities that will be implemented in order to operate and manage the Network include office equipment, maintenance of the web page, preparation of communication and dissemination materials, organisation of workshops and meetings, etc. One of the most important activities shall be ensuring adequate human resources and capacities for the operation and management of the network.

Activities which will be implemented by the Network are identified in the Network Action Plan. The following activities shall be described:

- network management;

- involvement of stakeholders in drawing up the National Action Plan;

- training for LAGs which are being set up;

- collection project examples which cover all priorities of rural development programmes;

- ongoing studies and analysis;

- networking activities for LAGs and in particular technical assistance for inter-territorial and transnational co-operation;
• networking activities related to innovation;
• the NRN communication plan drawn up on the basis of the RDP Information and Publicity Strategy, in co-operation with the Managing Authority, and the provision of information and activities directed towards general public;
• participation in the Programme Evaluation Working Group (EWG-RD);
• participation in the European Network for Rural Development.

On the basis of the Network Action Plan, detailed bi-annual informal Action Plans shall be prepared to allow more flexibility in selecting activities which are most appropriate for the stage of implementation of RDP 2014-2020. These shall follow the implementation progress of the RDP and also take on board the recommendations of relevant evaluation activities.

In the early stages of RDP implementation, one of the main tasks of the Network will be to organize, promote and participate in variety of activities to disseminate information and raise awareness of the new opportunities for rural stakeholders offered by the RDP 2014-2020.

For networking purposes, the NSU will conduct informative and promotional activities (meetings, leaflets, sponsored articles in specialised press, etc.) and organise capacity building workshops, seminars and trainings for Network members, also with the assistance of externally contracted experts. These activities will be open to all rural stakeholders, regardless if they are members of the Network.

Activities from bi-annual Network Action Plan are carried out by the Ministry of Agriculture, Directorate for Management of EU Funds for Rural Development, EU and International Co-operation, but some of the activities of the network can be delegated to in-house bodies in accordance with the Network Action Plan or outsourced.

Eligible activities and related costs and expenditures shall be elaborated in more detail in implementing acts, tenders and the Network Action Plan.

17.1.4. Resources available for establishing and operating the NRN

Eligible activities and expenditures referred to in point 17.3 and in the Network Action Plan shall be financed by the resources of the measure Technical assistance, from which up to 10% of the total allocation is foreseen for the implementation of these activities. Out of that amount, up to 25% of resources shall be used for activities for establishing and running of the Network (including the NSU) and related expenses, and up to 75% of totally allocated resources shall be used for activities of preparation and implementation of Network Action Plan.

Depending on the final Network Action Plan, the implementation of some activities (such as trainings, seminars and study visit tours) will be outsourced.

Intensity of the support is 100%.
18. EX-ANTE ASSESSMENT OF VERIFIABILITY, CONTROLLABILITY AND ERROR RISK

18.1. Statement by the Managing Authority and the Paying Agency on the verifiability and controllability of the measures supported under the Rural Development Programme

Ex ante assessment of the verifiability and controllability of each of the measures included in rural development programme (RDP) is conducted by the Managing Authority (MA) and the Paying Agency (PA) jointly. The main objective of this exercise is the identification of main risks regarding the implementation of measures programmed in RDP. Particular attention has been given to the verifiability and controllability of eligibility criteria and clearness of prescribed commitments and other obligations in order to mitigate the risk of errors.

Since Croatia has a limited experience with implementation of the measures included in RDP having only implementing SAPARD/IPARD programmes and national rural development measures so far, practices and experiences from last programming period can only be used up to a limited extent. However, experience and best practice from other Member States observed by relevant authorities like European Commission and European Court of Auditors has been used. Commission guidance, reports issued by European Court of Auditors and other related document such as Commission Staff Working Document on the assessment of the root causes of errors in the implementation of rural development policy and corrective actions have been used as the main source of information to facilitate this exercise.

The Paying Agency is in process of upgrading its management and control system for the implementation of EAFRD, so many envisaged controls - including preventive and corrective actions – shall be put in place through this exercise. However, a further examination of the verifiability and controllability at the level of measures/ type of operations is planned before the implementation of any measure starts. The main objective of this ex-ante exercise will be to exclude a potential risk of errors from the requirements/criteria set by national implementation legislation (ordinances), thereby ensuring the addition of unnecessary eligibility criteria, over-complex selection criteria which cannot be properly applied and similar, respecting the overall goals of proportionate control and reduction of the administrative burden.

The overall conclusion from the ex-ante assessment of the verifiability and controllability at Programme level is that all the measures included in RDP are verifiable and controllable under the assumption that all mitigation actions will be carried out in a timely fashion. The pre-condition for the implementation of any measure is that the management and control system is fully set up.

In addition, the MA and PA will continuously assess the verifiability and controllability of the measures during the implementation of the Rural Development Programme. This shall also take into account the real result of performed controls during implementation, any recommendations from relevant audits and Commission guidance in order to correct any risks that have emerged, adjust appropriately mitigating actions, identify potential new risks and appropriate mitigation actions. The overall objective is to ensure smooth implementation of the RDP respecting in full the principles of sound financial management in order to maximize the results to be achieved by Programme and minimize any negative financial consequences from non-effective utilisation of EAFRD and their impact.
Payment rates for M10, M11 and M13 were calculated pursuant to Article 62.2 of Regulation 1305/2013, by competent bodies with the appropriate expertise that are independent from the Ministry of Agriculture.

The methodological starting point was to identify baseline requirements for each operation within M10, M11 and M13, taking into account the relevant mandatory standards and requirements of both EU and national legislation. Furthermore, usual, most common practice was considered for each of the operations.

The bodies responsible for calculations are:

1. For M10 - Department of Management and Rural Entrepreneurship from Faculty of Agriculture, University of Zagreb; Cardno Emerging Markets (UK) Ltd; OKL, Avalon and Ecologica consortium.
2. For M11 - Cardno Emerging Markets (UK) Ltd.
3. For M13 - Department of Management and Rural Entrepreneurship from Faculty of Agriculture, University of Zagreb.

The calculations comprise standard costs, additional cost and income forgone depending on the type of operation based on reliable and representative data. Transaction costs were included at a maximum of 20%.

Double funding will be excluded in the case of practices under Article 43 of Regulation (EU) No 1306/2013, also on the basis of the information which are contained in the delegated acts which has been produced in accordance with Article 83 of Regulation (EU) No 1305/2013.
19. TRANSITIONAL ARRANGEMENTS

19.1. Description of the transitional conditions by measure

In the programming period 2007-2013, Croatia was implementing measures from the IPARD programme and 21 calls for applications were published. The last one was finished in April 2014.

In accordance with the Delegated Act and Regulations 1305/2013 and 1310/2013, Croatia has the possibility to use EAFRD allocations for the IPARD Programme obligations, subject to full spending of the relevant IPARD funds.

Once funds allocated for measures 101 and 103 of IPARD are spent, Croatia may use EAFRD funds for applications submitted under these measures before the official adoption of the RDP 2014-2020.

Croatia may also use EAFRD funding for measures 301, 302 and 202 of the IPARD programme for payments made between 1 January 2014 and 31 December 2016.

This expenditure shall be eligible for an EAFRD contribution in the 2014-2020 programming period under the following conditions:

- such expenditure is provided for in the RDP for the 2014-2020 programming period;

- the EAFRD contribution rate to the corresponding measure under Regulation (EU) No 1305/2013 as set out in Annex II to this Regulation applies.

Croatia ensures that the relevant transitional arrangements are clearly identified through its management and control systems.

Expenditure incurred after 31 December 2013 relating to operations necessary for the closure of the IPARD programme and the ex post evaluation will be eligible for support under the EAFRD under the technical assistance component of the RDP 2014-2020.

According to financial indicators, Croatia has sufficient funds under IPARD to pay all contracted projects for measures 202, 301, 302 and 501, while for the purpose of financing measures 101 and 103 projects, Croatia will use the EAFRD allocation in the amount of 22,603,640.61 EUR.

Because the date of transition to the new programming period (cut-off date) determined for as 1 November 2014, Croatia will not need additional funds.

Any EAFRD funds allocated for IPARD which will not be spent in the payment of undertaken IPARD commitments will be used for measures included in the RDP 2014-2020.

19.2. Indicative carry-over table

<table>
<thead>
<tr>
<th>Measures</th>
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<tbody>
<tr>
<td>Code</td>
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<tr>
<td>------</td>
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<tr>
<td>M01</td>
<td>Knowledge transfer and information actions (art 14)</td>
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<td>M02</td>
<td>Advisory services, farm management and farm relief services (art 15)</td>
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<td>M03</td>
<td>Quality schemes for agricultural products and foodstuffs (art 16)</td>
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<td>M05</td>
<td>Restoring agricultural production potential damaged by natural disasters and catastrophic events and introduction of appropriate prevention actions (art 18)</td>
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<td>M06</td>
<td>Farm and business development (art 19)</td>
</tr>
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<td>M07</td>
<td>Basic services and village renewal in rural areas (art 20)</td>
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<td>M08</td>
<td>Investments in forest area development and improvement of the viability of forests (art 21-26)</td>
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<td>M09</td>
<td>Setting-up of producer groups and organisations (art 27)</td>
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<td>M10</td>
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<td>M11</td>
<td>Organic farming (art 29)</td>
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<tr>
<td>M13</td>
<td>Payments to areas facing natural or other specific constraints (art 31)</td>
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<tr>
<td>M16</td>
<td>Co-operation (art 35)</td>
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<td>M17</td>
<td>Risk management (art 36-39)</td>
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<td>M18</td>
<td>Financing of complementary national direct payments for Croatia (art 40)</td>
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<tr>
<td>M19</td>
<td>Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)</td>
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<tr>
<td>M20</td>
<td>Technical assistance Member States (art 51-54)</td>
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20. THEMATIC SUB-PROGRAMMES
## 21. DOCUMENTS

<table>
<thead>
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